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Gorbachev's Plan Draws Skepticism Senator, Says he checked in the literation center have On Eve of G-7 Talks

By Tom Redburn onal Herald Tribune

LONDON - Western leaders expressed widespread skepticism Sunday about President Mikhail S. Gorbachev's latest plan to overhaul the Soviet Union's sick economy, As the seven largest industrial democracies prepared to open their annual summit meeting on Mon-day, President Gorbachev was told in advance that he would have to be

age of economic changes. This is not blank check time." President George Bush said, "Reforms have to take place before money can be well-spent in helping to solve these problems."

more "persuasive" if he wanted

The president restated U.S. willinguess to provide technical assistance to the Soviet economy. We'd be prepared to give that today," he said. Mr. Bush was speaking at a joint

press conference with President François Mitterrand in Rambouillet, France, where he stopped for consultations before flying to London for the G-7 conference. Besides the United States and France, the G-7 nations include Germany, Britain, Japan, Italy and Canada.

Mr. Mitterrand, more forthcoming on the question of assistance to oscow, said the West should help Mr. Gorbachev immediately, without a "chicken-and-egg" debate over whether the Soviet economic changes should come first.

"I want Gorbachev to get the aid he needs to redress the economic situation of his country," he said. We must help him enough so that he can succeed, and right away."
Mr. Mitterand said it "would be

a bit premature" to expect action at the summit conference that would satisfy Soviet expectations. But, he added "it may be a start-

Prime Minister Brian Mulroney of Canada, already in London, said that "some of the people around the table would be raising ques-tions" about the seriousness of the

By Serge Schmemann

New York Times Service

MOSCOW - Gasoline is scarce, but vehicles choke

Moscow's dusty streets. Prices have tripled, but shelves are

empty. The country has been without a national budget for months, but the vast state bureaucracies lumber on.

At the free-market exchange rate for the ruble, the average

monthly wage is below \$10 and shrinking, and supply lines

are breaking down. But armies of workers still go through

the motions of reporting to work each day in exchange for rubles printed in large quantities by the government.

All across the Soviet Union, there is a bewildering sense of

a wounded behemoth surviving through sheer inertia, be-yond the laws of economics, politics or common sense. As President Mikhail S. Gorbachev prepares to discuss aid with Western leaders in London, there is a widespread sense

'vast amounts of money" were still being spent on military rather than civilian needs.

Mr. Mulroney said that Mr. Gorbachev, who is scheduled to meet with the Western leaders on Wednesday at the end of their summit meeting was "approaching this in what appears to be quite a constructive manner." But he said that the Soviet leader needed to be "persuasive" in his replies to questions about his plans.

Western support for his new pack-"I don't believe you'll see either miracles or blank checks from the G-7 summit," Mr. Mulroney said

> More Summit News Amone G-7 nations, Britain's economy is in the worst shape. Baker and Bessmertnykh hail "ter-rific progress" in START talks. Gorbachev plans to seek help in reducing arms production. Articles on Page 4

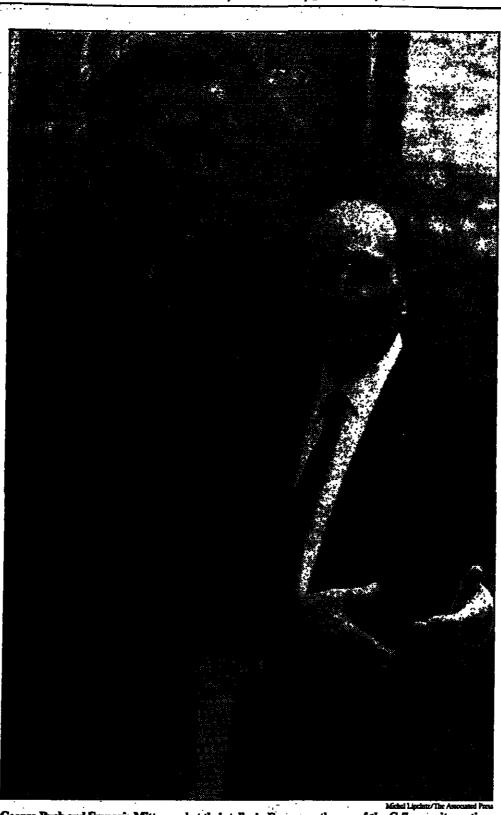
> after a one-hour meeting with Prime Minister John Major of Brit-

On Friday, a special envoy, Yev-geni M. Primakov, brought to Lon-don Mr. Gorbachev's proposal for conomic change, which calls for the West to provide future assistance to ease the process of freeing prices on consumer goods.

The Soviets are seeking, as a key element of the proposal. Western support for a currency stabilization fund to help make the ruble convertible in international markets. something that would make it easier for them to sell Soviet products and to buy Western goods.

The plan, described in a 23-page letter to the summit leaders, also includes a bid for debt relief along with a request for large-scale private investment in energy projects, food distribution and the conversion of military factories to civilian

The Gorbachev proposal,



George Bush and François Mitterrand at their talks in France on the eve of the G-7 summit meeting.

the first half of the year.

Bush and Mitterrand Give Saddam a Warning

They Threaten Military Action if Baghdad Makes Nuclear Bomb or Represses Kurds

By Joseph Fitchett International Herald Tribine

RAMBOUILLET, France - President George Bush and President François Mitterrand of France threatened Sunday to order new military attacks against Iraq if Saddam Hussein persecuted Iraqi Kurds and Shiites or continued trying to make nuclear

With France sounding firmly in support, Mr. Bush can probably expect all five permanent members of the UN Security Council to back the tough U.S. attitude toward Mr. Saddam, Western diplomats said. Emerging from an hour of talks, the two leaders spoke in forceful terms that suggested that a renewal

of limited military action has become a likely option in view of the postwar behavior of the Iraqi leader. Mr. Bush again characterized Mr. Saddam as a liar and repeated that Washington would oppose any help for Iraq entil he was removed from power.

At a news conference given by the two leaders, Mr. Bush said the United States and France were "shoulder to shoulder" in agreeing on the need to keep up international pressure on the Iraqi leader.

Mr. Mitterrand said France would need to see that the information was clear enough to justify an

This remark prompted Mr. Bush to say that he had incontrovertible proof of Iraqi transgressions, apparently referring to Iraqi attempts to pursue a secret nuclear weapons program.

Earlier, Mr. Mitterrand had said that a new Western

military intervention, probably involving air strikes, would be justified to protect Iraq's minorities, including Kurds and Shiite Muslims, or to halt any attempt to develop a nuclear arm.

"If that need arises, we are ready," Mr. Mitterrand said Sunday in his Bastille Day television interview, which has become an annual presidential platform. Answering questions later with Mr. Bush, the

French leader said that he and the American president had ordered their top military aides to assess the nnclear threat posed by Iraq, adding that a small French force and some air power had been sent to

From that position, the French and U.S. units would be ready to intervene on behalf of Iraqi Kurds or to strike at several sites that appear, in light of recent disclosures, to be crucial to Iraqi attempts to

produce weapons-grade nuclear material.

Mr. Bush and Mr. Mitterrand skirted the specifics of what might trigger military action and what, if any, resh international resolutions might be needed.

Noting that the threat of fresh attacks had now prompted Mr. Saddam to pledge compliance with the nuclear aspects of the Security Council's cease-fire terms, Mr. Bush said that he hoped "this last confession will be followed to a T" in every detail by the Iraqi

Mr. Bush's stopover in France was part of a series of bilateral talks that he has been holding with those taking part in the economic summit conference in London this week.

For Mr. Mitterrand, the occasion to play host to Mr. Bush was a welcome political lift after several months in which his Socialist Party and his personal political ratings have dropped sharply from their peak during the Gulf war. The meeting provided visibility for Mr. Mitterrand's statesmanship at a time of mounting domestic woes.

Mr. Bush repeatedly cited what he called "the extraordinarily helpful counsel that he had received from the French president and said that the two governments were cooperating again as they had done in the Gulf crisis.

Among points of contention between Paris and Washington: what France views as overbearing U.S.

See BUSH, Page 2

Iraq Submits 3d Nuclear List

After Warnings, Baghdad Expands on Its Disclosures

By Paul Lewis New York Times Service

BAGHDAD — Iraq gave the United Nations on Sunday a list of nuclear facilities that it had failed to disclose earlier this month when it conceded that it had been running a secret program aimed at producing enriched uranium.

The chief UN nuclear inspector,

Demitri Perricos, confirmed that he had received this latest nuclear Production statistics show a precipitous decline in every list, the third, but he refused to disclose any details of what it con-Overall production in the Soviet Union fell 5 percent in tained or if was accurate.

"I can't express an opinion," he said. "It is very early. The list is still being studied.*

The delivery of the third list followed warnings by the United States that it might take military

Another member of the inspection team said the third list ap-peared to contain all of the undeclared nuclear plants the team had been told about by U.S. and other

intelligence services.

But the official said the team remained suspicious because it had

we are going to be very cautious," the expert said.

Under the terms of the UN Security Council cease-fire resolution ending the Gulf war, Iraq is required to hand over all weaponcanable nuclear material for removal or destruction. It is also pected nuclear plants. required to surrender its chemical nd biological weapons and ballis-

Iraq appears eager to satisfy the United States and other Security Council members that it is telling the truth because it wants the council to ease the embargo imposed after the invasion of Kuwait. Baghdad wants approval to sell \$1 billion in oil to buy food and essen-

After first declaring that it had no secret nuclear installations, Iraq acknowledged July 7 under pressure from the United States that it three different methods at eight

the Iraqis for four months now so well as by the centrifuge method and by chemical means. The United States said this sec-

ond list was still incomplete and gave the special commission charged with destroying Iraq's weapons of mass destruction further information about other sus-The special commis

asked Iraq to provide details of any nuclear research and development laboratories, special storage sites and nuclear manufacturing plants that it possessed. Last week the inspectors carried out a challenge inspection of a uranium production unit in the north, which Baghdad

had not declared on June 7. Members of the UN inspection team here say that the special com-mission had been told that Iraq in fact possessed nuclear installations in all three categories.

The United States doubts Iraq's claim to have no biological weapwas trying to earich manium by ons and no plants for producing them. After first declaring that it had about 11,000 shells and bombs Mr. Perricos said that his inspec- loaded with poison gas and nerve no way of knowing whether Iraq tors had found evidence that Iraq agents, Iraq then corrected this, achad other nuclear installations. was enriching uranium by electro-knowledging that it had 6,000 more Basically we have been lied to by magnetic isotopic separation as mustard gas shells.

Hosts in London Opt for Less of an Extravaganza

By R. W. Apple Jr. New York Times Service

MISS SOURCE STATE OF THE PARTY LONDON -- Two years ago, the French combined the annual meeting of the seven leading economic powers with a celebration of the 200th anniversary of their revolution. They built a 35-story hollow cube to serve as conference headquarters and imported the soprano Jessye Norman, wrapped in a tri-color gown, to sing the Marseillaise in the Place de la Concorde.

Bush's adopted hometown, Houston, spent something approaching \$20 million on civic beautification, treated all the grandees to a rodeo and outdid even the French in the amount of food and drink.

third time it has been held in this grand old city on the Thames. "It's our job simply to provide a secure,

the visitors as comfortable and as

relaxed as possible." But no one is going to starve, Last year, President George especially not the leaders — "the bigs," as the Italians call them. The

The British, princes of under-statement, say they aren't playing.
"We are not in the business of making each event bigger and bet-ter than the last one," said Jeremy Varcoe, a career diplomat assigned to manage this year's gathering the third time it has been held in this

Soviet Key to Survival Amid Scarcity: Sheer Inertia

that something has to give, that something fundamental has

the talk of free markets, ruble convertibility, and privatiza-

tion raises only vague and ominous images for most Soviet

The economy should be near collapse, but in a system

manipulated so long from a secretive center, nobody really

knows what that means. There is no stock market to collapse,

no savings-and-loan institutions to go under, no middle class

The anxiety reveals itself in different ways. In an opinion

poll among students in Moscow and Leningrad, 40 percent

said they were prepared to leave the country if this became possible. Throughout the countryside, city dwellers turn meadows and fields into patches of potatoes and cabbage,

But in the absence of any experience of free enterprise, all

And there will be no dearth of entertainment for staff members workman-like venue and to make and journalists between sessions of construction work on the New World Order, Marks & Spencer's main department store is being kept open late especially for the visitors, and some of them will visit

mances of Carmen Jones at the Old of Zimbabwe.

Chopin played there in 1848, Garibaldi visited in 1864, the coro-nation banquet was held there in 1953 and Rhodesia's future was

Others are to attend perfor- ence in 1980 that led to the creation

Vic theater and La Cenerentola at Covent Garden.

The actual meetings, like most high-level conferences in London

A 35-foot-long table has been built for the Long Gallery, where the main negotiating sessions will be held amid gilt and marble col-

the first quarter in comparison with the first quarter of last year. Production of butter, cheese and meat fell 13 percent in

The ruble has lost two-thirds of its value in a year. Imports

are worth five times more than exports. Government revenue

in the first quarter of the year was one-third of the amount

anticipated, and the budget delicit was almost five times

Virtually every sector can be added to the list. Yet, the very definition of "shortage" in a society where the ordinary citizen has always been at the very bottom of the food

See SOVIETS, Page 2

laser show and fireworks afterwards, and on Monday at the Tow-er of London, built by William the Conqueror, starting in 1066, to im-Conqueror, starting in 1066, to impress and intimidate his new subjects. The leaders will gather for drinks among the dazzling orbs and scepters and crowns in the Jewel House within the Tower, before ad-

See LONDON, Page 4

Now, Competition in Japan

By David Sanger New York Times Service

TOKYO — Under pressure nese government has published blocking certain types of imports in what could - on paper at least mark a major change in the way Japan does business.

The critical question is how strictly the new rules will be en- late last week by the Fair Trade forced by Japan's Fair Trade Com-

laws. Nonetheless, the changes are spread practice that accounts for among the most significant yet the absence of many discount brought about in Japan by a broad stores here. Companies are also group of trade talks, called the barred from acting together to boy"Structural Impediments Initiacott entrants to a market, which has tive," in which efforts were made to correct flaws in the the workings of both the Japanese and the U.S.

Under the new rules, published Commission after a year of debate,

mission, which is not known for its firms operating in Japan are specif-political clout or its eagerness for ically prohibited from enforcing strict enforcement of antitrust "suggested" retail pricing, a widetraditionally been a way of keeping out new suppliers and competitors.

> Most importantly, the rules attack a cornerstone of the *keiretsu* system, in which companies hold

See JAPAN, Page 9

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Assad Praises U.S. Peace Bid

President Hafez Assad of Syria said Sunday that U.S. proposals regarding a peace conference constituted an "acceptable basis" for reaching a comprehensive Middle East solution, the official Syrian press agency, SANA, reported (Page 2)

General News George Bush's court nominee

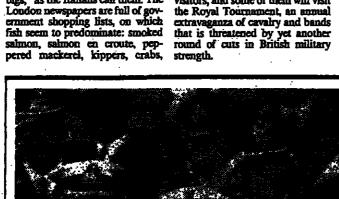
got to law school on a minority preference program. Page 5. Bueiness/Finance

Apple Computer is changing its strategy to enter the mainstream market. Page 7. New Jamey officials expect to take over the 18th-largest U.S.

Page 3.

Page 2.

Crossword Weather



recent years, will take place at Lancaster House, a 19th-century pile of tawny Bath stone near the Mall, next door to the Queen Mother's house and just down the street from Buckingham Palace. Its opulent Louis XV interior includes a spectacular double staircase and paintings by Guercino and Vero-

umns and candelabra borne by chembs. Dinners are scheduled at Buckingham Palace on Tuesday, with a from the United States, the Japa-

America's Weigh-In: Still Lots of Fat to Lose

By William Booth Washington Post Service

WASHINGTON — Neither jogging, nor Lean Cuisine microwave dinners, nor health spas, nor Jane Fonda, nor "lite" beer, nor two decades of nagging from the U.S. health agencies appears to have done much to reduce the national prevalence of fat.

Americans are just as likely to be overweight today as they were in the 1960s, according to a report from the U.S. Centers for Disease

Today, about 24 percent of men and 27 percent of women are "significantly overweight," according to the disease control centers, which concluded that the levels "were virtually unchanged from the

Moreover, obesity continues to plague minorities and the poor in disproportionate numbers. While 25 percent of white women were technically fat, 44 percent of black women were overweight. Also, the lower the socioeconomic status, the greater the percentage who are overweight - mainly because the poor rely more on high-caloric

The disease control centers define as "significantly overweight" people weighing 20 percent more than their "desired" weight, which is tabulated for height and based on a system known as the "body mass index." According to the disease centers' definition, for example a massing to the disease centers' definition. ple, a person would be technically overweight if his desired weight were 145 pounds (65 kilograms) and he tipped the scale at 174



By Peter Maas

PRISTINA, Yugoslavia - Determined to prevent secession on its southern flank, Serbia is bolstering a crackdown on ethnic Albanians in Kosovo by sending more troops into the volatile region and pushing students and professors out of their main uni-

Zivorad Igic, a senior official of the ruling Socialist Party of Serbia, confirmed that additional troops and police have entered Kosovo since the independence declarations of Croatia and Slovenia last month, although he would not say how many.

Armed patrols and roadblocks have increased, according to ethnic Albanians in this autonomous province in western Serbia.

Although Croatia and Slovenia have cantured international attention, Kosovo harbors deeply

anti-Serbian sentiment and, observers believe, could become a second front if all-out combat broke out in the north. Ethnic Albanians seem as determined as the Croats and Slovenes to find a way out of Serb-dominated Yugoslavia, but they are far weaker, politically and militarily.

Prime Minister Ylli Bufi of Albania told ethnic Albanian lead ers from Yugoslavia on Saturday that the Albanian government stood fully behind them, according to a dispatch from ATA, the official Albanian press agency, monitored in Vienna Sunday by

Mr. Bufi said in a meeting with the chairman of the Democratic League of Kosovo, Ibrahim Ru-gova, that he had told West Eurocan politicians: "The future of Yugoslavia cannot be solved without the participation of the Albanians on an equal footing."]

Some local leaders say public opinion has swung behind the that they will look to Albania for idea of secession from Yugoslavia political and military support if, and unity with Albania, which is

no longer Stalinist.
The Democratic Union of Kosovo, the largest Albanian party, says it wants to avoid mass protests. These, it fears, would be crushed by Serbians.

The crackdown has raised new tensions between Serbia and Albania, which has a common border with Kosovo. The Albanian government has accused Serbia of planning genocide and this month sent protest letters to the European Community, the permanent members of the United Nations Security Council and the 35-nation Conference on Security and Cooperation in Europe.

The Serbian government responded by accusing Albania of trying to provoke an armed con-

Albanian leaders in Pristina say as they fear. Serbian or federal troops initiate hostilities.

"We will wait for our chance." said Avni Spahin, foreign editor of the Albanian-language news-paper Rilindja, which was closed as part of Serbia's decision last year to shut down Kosovo's Albanian-language television and ra-dio stations. "We are for dialogue and a peaceful solution. But in the end, if this terror continues, we will have to defend ourselves

Tensions heightened in the last week with the Serbian authorities' announcement that first-year students' enrollment at the University of Kosovo will be cut by more than two-thirds, to 3,000. Half of those places will be reserved for Serbo-Croat speakers, even though about 90 percent of Kosovo's 2 million people are ethnic

Albanians who speak Albania Albanians here believe the Serbians aim to force them out of the university and, eventually, out of Kosovo. Until now, the university has been the center of what remained of Kosovo's Albanian culture. It was also the place that Serbian officials pointed to when they told human rights investiga-tors that ethnic Albanians were not being repressed.

Truce Dies

In Croatia

Stage Raids

BELGRADE — Serbs fought Croatian policemen with machine

guns, grenades and mortars in the

rebel republic of Croatia on Sun-

day, which revived fears of civil war

in Yugoslavia.
Violence exploded when bands

of Serbian nationalists laid siege to

two police stations in dawn raids

and forced the evacuation of four

villages around Petruja, 400 kilo-meters (250 miles) west of Bel-grade, the police said.

The fighting shattered a cease-fire brokered on July 7, after the

republic of Slovenia fought with

the federal army and clashes broke

out in Croatia as a result of the two

republics' independence declara-

A reporter in Petrinja said bat-

tles raged throughout the day. A column of six Yugoslav Army tanks, seven armored vehicles and 20 vans carrying hundreds of police

was seen heading for the villages.

Gunfire and explosions were heard.

"It's a real battle," a police spokesman said, "It's a war." But

he was unable to give casualty lig-

diate reports of casualties among

The fighting between Serbs and Croats, Yugoslavia's biggest nationalities and traditional enemies,

broke out before the arrival of the

first European Community observers. They are expected in Croatia

on Monday to monitor the cease-

According to Tanjug, the Yugo-slav press agency, a group of 30 to 50 monitors from the EC is to stay

in Yugoslavia for a minimum of

three months. This was agreed to in

a memorandum signed late Satur-

day by representatives from the federal government, as well as Slo-venia, Croatia and the Nether-

lands, which has the current chair-

outcome, but the situation is pre-

carious and there is a lot of verbal

violence," said Jo Van der Valk.

head of the EC's advance party and

a former Dutch ambassador to Bel-

grade. He spoke at a press confer-

ence in The Hague on his return

"We hope it will remain only verbal violence," he said. "If not the situation will change drastical-ly, and there will be no question of

Tensions rose during the week-

end after the state presidency ap-proved a truce brokered by the EC

on July 7 but immediately ordered the republics to demobilize their

paramilitary forces and hand in

"If they fail to obey this, their

al, including force," President Stipe

The six-point ultimatum pro-

voked concern in Slovenia and

Croatia. Mr. Mesic, in his role as

Slovenia objected to the presi-

dency's orders to resume sending

conscripts for national service in

the federal army. It also objected to

giving federal authorities overall

control of its borders with Austria.

Hungary and Italy by Wednesday.

(Reuters, AP, UPI)

Mesic said at a news conference.

from a visit to Yugoslavia.

continuing the mission

"I don't want to speculate on the

manship of the EC.

Croatian officials said a Croatian policemen was killed and four wounded in the village of Glina, near Petrinja. There were no imme-

tions on June 25.

As Serbs

"It is the center of our culture and spirit," said Jusuf Buxhovi. a leading politician and historian. At the end of June, Serbia's government in Belgrade took di-

rect control of the university and replaced its rector with a non-Albanian who has begun dismiss ing Albanian professors.

According to Gazmend Pula an Albanian engineering science professor and member of the Yugoslav committee for Helsinki Watch, a rights organization, about 30 of the university's most prominent Albanian professors were dismissed last week, and more dismissals are expected in the coming weeks.

Serbian officials announced that the university's name is to be changed, probably to that of St. Sava, a Serb. It is a gesture that insult, an act of what one professor calls "Serbian triumpha Mr. Igic, the Serbian socialist,

said the changes were part of a "rationalization" program aimed at bringing the university closer into the Serbian educational sys-

Asked whether the shifts amount to a stepped-up Serbianization of Kosovo, he replied quickly and with one word: "Ab-

The moves come at the end of a decade of suppression in which more than 80 ethnic Albanians have been killed and more than 11,000 sentenced to jail terms, ac-cording to Helsinki Watch.

The Special Circumstances Law passed by the Serbian legislature in June 1990 created an undeclared state of emerge according to a Helsinki Watch report, and led to the disbanding of the Kosovo parliament a few

Syria Backs New Optimism Takes Hold for Cambodia Peace By Philip Shenon remake Cambodian society result- bodian leader Prince Norodom Si-

U.S. Plan For Talks

DAMASCUS - President Hafez Assad said Sunday that U.S. proposals for a peace conference constituted an "acceptable basis" to reach peace in the Middle East, the official Syrian press agency,

Mr. Assad made the statement in a letter to President George Bush, responding to the American plans for convening a conference. Foreign Minister Farouk Sharaa delivered the letter on Sunday to the U.S. ambassador to Syria, Edward Djerejian, the agency said.

It said the letter contained "Syria's reply to Bush's proposals for convening an international peace conference to reach a comprehensive and just solution to the Arab-Israeli conflict on the basis of UN

Washington has been awaiting the Syrian response in order for Secretary of State James A. Baker 3d to continue his efforts to convene a Middle East peace conference. Mr. Baker has traveled to the region four times this year.

The State Department declined to respond immediately to the Syrian announcement. The Israeli Foreign Ministry also had no initial comment. Foreign Minister David Levy's spokeswoman, Aliza Goren, said the Israelis were still trying to obtain a text of Syria's response. In the letter, Mr. Assad praised

the efforts of Mr. Bush and Mr. Baker "to cope with difficulties that block convening the conference," SANA said. Under the U.S. proposals, talks

would be held between Israel and the Palestinians on the future of the occupied Gaza Strip and West Bank. At the same time, there would be a peace conference sponsored by Washington and Moscow involving Israel and its Arab neigh-

bors.

Mr. Assad was quoted as saying that Mr. Bush's proposals were "positive and balanced and constitute an acceptable basis to reach a comprehensive solution and achieve a peace process in the re-gion."

If the United States considers the Syrian reply positive and believes it does not contain compli-cating conditions. Washington will be faced with the task of bringing

Israel to the conference. Syria has insisted on an international conference with a United

Israel has demanded a regional conference, with no UN role, which would include only a formal open-

ing and then break up into separate talks between Israel and each Arab state and the Palestinians.

(AP, Reuters)



Pacific Western University

ever, fell short of what some West-"It papers over real differences ern officials were looking for. about whether they are prepared to accept widespread private proper-ty," the official said. "And it glosses over the question of the power of the center versus the republics." The G-7 appeared split on a pro-posal to lift the existing limit on loans to the Soviet Union from the

ment estimates that a quarter of the ers, and weekend gardeners more

In trying to forge a compromise between the radical proposal for rapid privatization advanced in re-cent weeks by the Soviet economist Grigori Yavlinsky and the cautious plan favored by his prime minister. Valeutin S. Pavlov, Mr. Gorbachev's own proposal seemed confused and disorganized, some Western officials said.

(Continued from page 1)

"It has the look of a Chinese menu approach," a British official said Sunday. "He took one from Category A and another from Category B." He said the package was vague and included little detail on how the Soviet Union would go about converting its state-run econ-

omy to private ownership. Mr. Major was more cautious. saying that the Soviet plan "was very complex indeed," and needed close attention on the part of West-

A Canadian official said that the support on their own.
"The Germans obviously cannot response among Western special-

BANGKOK - After more than their four-year reign in the 1970s. he ruled until 1970. a decade of fighting and months of But later this month, China, which has been backing the Khmer

stalled peace talks, there is now a Rouge, is scheduled to sponsor a possibility that the end of the Camnew round of peace talks in Beijing bodian civil war is imminent. that will bring together representa-tives of the Vietnamese-backed Probability is not the word, at least not yet. The Cambodian gov-Phnom Penh government and the ernment and guerrillas seeking to three major guerrilla factions. overthrow it have accused each other of violations of the cease-fire Chinese leaders are thought to be they agreed to only last month, and

dicting a quick end to the war.

distribution chain, where prices

long ago lost any relation to value.

Few can remember when they

could choose among cheeses, or

when filet last appeared in a store.

the Soviet Union is that of scroung-

ing. In Russian, a word used to

describe things that suddenly ap-pear in stores is translated literally

as "thrown out." Consumers do not

purchase something, they "take" it.

meaning they seize it eagerly.
About 250,000 private coopera-

tives have sprouted in the four years since limited private enter-

prise became legal. But with raw

materials in chronic short supply

and the government in control of

most resources, the cooperatives

have failed to increase the supply of

Instead, many have become

speculators in scarce 200ds, creat-

ing a sense that cooperative work-

ers can be equated with bandits

and black marketeers. The govern-

100 billion rubles made in the

'shadow" economy last year came

from resale of scarce goods.

consumer goods appreciably.

The very lexicon of shopping in

An honor guard lining up Sunday beneath the Croatian flag for the changing of the guard at the Croatian parliament in Zagreb.

ready to use their influence at the Western and Asian diplomats have been embarrassed before in pretalks to insist on new progress toward peace in Cambodia.

new optimism. One is the govern-Some diplomats say they still do not understand how there can be ment of Vietnam, which seems willpeace in Cambodia as long as there ing to give up much of its influence is the threat of a return to power by in Cambodia in order to improve the Khmer Rouge, the Communist its relationship with China. There guerrillas whose radical attempt to is also the desire of the exiled Carn-

tion, with memberships ranging

from 5 to 1,500. About 70 percent

of the cooperatives either pay off

racketeers or are involved in rack-

Corruption has become endemic,

expects a driver to "share the fine."

of all sorts has soared - freight

trains are routinely robbed, usually

with the involvement of rail work-

SUMMIT: Gorbachev's Plan Draws Some Skepticism

newly established European Bank

for Reconstruction and Develop-

ment. President Mitterrand said he

would advocate the plan at the

summit conference, backed by Ita-

ly and Germany. But the United

States insists that the relatively low

cap should remain intact for at

aly, continued to press its Western

partners to be more open to Soviet

requests. But German leaders, who

have already provided a major in-

fusion of cash to the Soviet Union

to encourage it to speed the remov-

they were in no position to step up

of troops, acknowledged that

Germany, with backing from It-

least three years.

ists "was a little bit of disappoint- do everything," Chancellor Helmot

From bribes to theft of govern-

ets themselves, the police add.

ed in more than a million deaths in hanouk to die in peace in the land "I want to die on Khmer soil,"

the prince, 68, said last month in

the Thai beach resort of Pattaya,

where he was host of what may

have been the most fruitful round

of peace talks since the Vietnamese launched their invasion of Cambo-At the Pattaya talks, the Cambovard peace in Cambodia. jor guerrilla groups — the Khmer

There are other elements in the groups — the Khmer Rouge, the followers of Sihanouk, and Cambodia fortier feet of Cambodia. dian government and the three ma-

and a faction faithful to former Prime Minister Son Sann — agreed to an indefinite cease-fire and to a cessation of foreign arms supplies.

success of the Cambodian talks was from Bangkok.

the governing Communist Party was meeting the same week in its first party congress in five years.

While pledging continued sup-port for the government in Cambodia, the party made clear its desire for closer ties to Beijing, and dismissed Vietnam's foreign minister, Nguyen Co Thach, who has long been seen in Beijing as China's chief adversary in Hanoi.

bodia left Sunday for Beijing for an informal meeting of the country's warring factions, according to the last warning, the state will have to act with all the means at its dispos-Phnom Penh news agency SPK. To an extent not yet clear, the The Associated Press reported

SOVIETS: A Society Wounded but, Defying Logic, Somehow Surviving Croatia's member of the eight-man The Interior Ministry says that whom virtually anything is avail- services and privileges that under presidency, said it did not apply to many cooperatives have, in fact, able in Moscow. Casinos and res- the Stalinist system were reserved his republic's national guard. This become fronts for organized crime, taurants with menus far beyond the for those who toed the line. comment is sure to anger the feder-

which is flourishing.

means of most ordinary citizens are
The dual system of free-wheeling
filled with the cooperative workers
enterprise and government control 5,000 criminal groupings in the na- and other members of the new rich. extends throughout the economy. Cooperative stores and crowded State burcaucrats still set prices street markets sell everything from and quotas for state-owned enterdrill bits freshly stolen from a factory to Japanese "boom boxes" and my grows fat on the discrepancies German washing machines. But a in price and the greed of the butape recorder selling for 3.000 ru-

bles makes a mockery of a worker's The government estimates that 2 monthly 330 rubles. billion rubles were paid out in bribes last year, with 1.2 billion of To quit a government job is to that amount going to officials. But that figure only hints at a system in lose hard-earned access to perquisites still dispensed by the state to which almost nothing can be its loval servants, from food parcels achieved without a "sweetener." in which virtually every traffic cop car at the low official price. A professor on a seemingly humble salary can buy a car at the official price ment property, illegal earnings of 16,000 rubles and resell it in-have risen from 59 billion rubles in 1989 to 68.8 billion in 1990, gov-

For a pittance, professional ernment estimates indicate. Theft groups like the Union of Writers or the Union of Composers still send worthy members to "houses of creativity" in the countryside where they can stay comfortably for and more find their plots stripped. weeks. The unions can also provide

The wheeling and dealing has quality medical care or a trip created a wealthy new caste for abroad, or any of the hundreds of

Kohl said in a newspaper interview

Sunday. "Our resources are limit-

Mr. Kohl said that Western cash

could be targeted to specific pro-

jects, such as for oil and gas pro-

At the other extreme, Japan has

lined up against giving Mr. Gorba-

chev aid unless the Soviet Union

agrees to return the Kurile Islands.

which Japan lost to Soviet occupa-

Meanwhile, experts from West-

tion at the end of World War II.

ern multilateral agencies, meeting

Soviet planners over the weekend,

were "horrified" by the poor prepa-

ration that went into the Gorba-

chev proposal, according to reports

The Soviet economists "do not

French newspaper Le Monde.

from Moscow.

ed. We have no money cow."

can offer help to self-help."

The dual system of free-wheeling

prises, while the "shadow econo-

BUSH: A Warning to Baghdad (Continued from page 1)

pressure to ensure a new lease on

ife for the North Atlantic Treaty Organization, and U.S. objections European Community attempts to become the focal point for defense cooperation among the Euro-

When Mr. Mitterrand raised these issues Sunday, the two men agreed to devote a separate discussion to defense while they are in London together this week, a French presidential aide said.

By taking the security issue in hand directly, the two apparently hope to dispel recent reports of bickering between the officials in Paris and Washington. Recent impressions of French in-

flexibility on defense policy have isolated Paris from its neighbors. who had been heartened by earlier indications that Mr. Mitterrand was preparing to consider modify-ing the traditional Gaullist insistence on total national independuction, that promise to pay an adequate return. "We are not talk-ing about throwing money down a bottomless pit," he said. "The West

Some French readiness for European defense cooperation - alongside the planned NATO changes that Mr. Mitterrand is known to dislike - is essential for the EC to reach full agreement, even on economic union, which is on the schedule later this year, officials from several European countries said Sunday.

A German official said that his government felt "unready and unwilling to out the Deutsche mark into the improved EC unless there is also a defense component and concession by France."

The show of solidarity on Sunseem to understand very well in day between the Bush administraeconomic terms what they want to tion and Mr. Mitterrand's continget," a Western official told the gent is expected at least to blur the French newspaper Le Monde. two governments' quarrel about fu-

ture security arrangements in Eu-

By setting the meeting outside Paris at Rambouillet, a historic chateau often used for state talks, Mr. Mitterrand kept the occasion distinctly separate from the traditional military ceremonies on Bas-

tille Day, which this year focused

on France's performance in the

Arafat Visits Iraq and Jordan

Agence France-Presse

AMMAN, Jordan — Yasser

Arafat, chairman of the PLO, conferred in Baghdad with President Saddam Hussein before arriving here Sunday for talks with King

According to the official Iraqi press agency, INA, the meeting on Saturday, also attended by Deputy Prime Minister Tariq Aziz of Iraq, covered the "latest developments concerning the Palestinian ques-tion and the Arab situation."

The PLO, which supported Iraq during the Gulf crisis, is in serious difficulty in southern Lebanon, where its last remaining strongholds have been taken over by the Lebanese Army.

DEATH NOTICE

PROFESSOR FEHMI YAVUZ ratired from the faculty of Political Sciences and founder, with Professor Ernst Reuter, of the Center for Urban Studies in Ankara University, has passed away on July 11th, 1991. He has been laid to eternel rest in Datea, Iskele Cemetery, in Turkey.

The family.

WORLD BRIEFS

U.S. Sites a Terror Target, Turks Say

ANKARA (AP) - Turkish newspapers reported Sunday that officials believe evidence turned up in raids last week on suspected terrorise hideouts indicated plans for attacks on U.S. targets during the visit of President George Bush. He is to arrive in Turkey on Saturday, and will

spend a day each in Ankara and Istanbul.

"This operation highlights the level of preparedness of the terrorist groups on the eve of the visit of a foreign head of state," Interior Minister Mustafa Kalemli said over the weekend, referring to the police raids Friday on five apartments of suspected terrorists in Istanbul. He did not say exactly what was being prepared, nor did he say who or what might

have been meant as the target or targets.

Ten suspects were killed and 12 captured during the raids. The police asserted that the suspects belonged to Dev Sol, a Marxist urban guerrilla group. The Socialist Party, however, charged Sunday that the killings had

Hong Kong Bars 4 China Activists

HONG KONG (AP) - Four Chinese student activists from Europe were barred from entering Hong Kong on Sunday to attend a prodemocracy conference on China, despite the fact that they had valid travel documents, conference sponsors said.

The Hong Kong Federation of Students, which claims 30,000 members, said the decision reflected the British colony's wish not to irritate China, which is to reclaim sovereignty of Hong Kong in 1997. The Hong Kong government declined to comment on the case, and on earlier charges from the federation that two Chinese student activists from Sweden were denied entry Friday.

Officials of Xinhua, the official press agency, which is China's de facto-mission in Hong Kong, had objected to the conference, saying the colony should not be used for such meetings. According to the federation, the four activists were stopped at Hong Kong's Kai Tak Airport and

Gang Kills Arab Official in Gaza Strip

JERUSALEM (Combined Dispatches) — Masked Palestinians, stabbed and axed a 65-year-old Arab official to death for allegedly collaborating with Israel, Arab reports said Sunday. They also said that an Arab prisoner was killed by his cellmate for alleged collaboration.

The reports said that five men attacked Ahmed Nemer Aslam, an Israeli-appointed headman in the Mughazi refugee camp in the occupied Gaza Strip. Jamal Khalil Kasab confessed to killing his cellmate, Atallah Rawagh, 33, at the Ketziot prison in southern Israel, believing him to be collaborating with prison authorities, the reports said.

(AP, AFP)

Ketirement for L.A. Police Chief?

LOS ANGELES (NYT) — Amid growing signs that political support for the Los Angeles police chief, Daryl F. Gates, was eroding because of a report on racism and brutality in his department, two of his staunchest report on racism and provide the result region by the grad of the supporters on the city council said that he would retire by the end of the

While Mr. Gates's own comments were ambiguous, the two supporters, John Ferraro, the council president, and Joel Wachs, a councilman, said. the chief had agreed to an "orderly process" of change under which they would propose a special election this November or December asking voters to limit the tenure of future police chiefs to two five-year terms. They said the 64-year-old chief would leave office even if the ballot measure failed. "Approximately Dec. 31," Mr. Wachs said, "Chief Gates will pass the mantle to a new chief, to be selected under whatever system. the voters of Los Angeles choose.

Dalai Lama Conducts Soviet Service

MOSCOW (AP) — Thousands of Buddhists on Sunday packed a cryice led by the Dalai Lama, the exiled spiritual leader of Tibet, who is in the Soviet Union to encourage the religion after years of repression,

At a service in Ulan-Ude, near the Mongolian border, the Dalai Lama urged "layman regardless of religious conviction to live in mutual understanding, respect and harmony," according to the news agency.

In response to complaints from Beijing about the visit, Moscow said that the Dalai Lama was in the country by private invitation.

TRAVEL UPDATE

India Airline to Replace Part of Fleet

NEW DELHI (Reuters) - India's domestic Indian Airlines said that it would replace a substantial part of its fleet at a cost of \$2 billion, and that t planned to increase its seating capacity by 30 percent, the Press Trust of

ndia reported Sunday. The agency quoted the airline's chairman, Air Marshal S.S. Ramdas, as saying replacement of the aging fleet would require 53 new aircraft over 10 years. It said that Indian Airlines would phase out four Boeing shortly, but that this would not affect its seating capacity.

This Week's Holidays

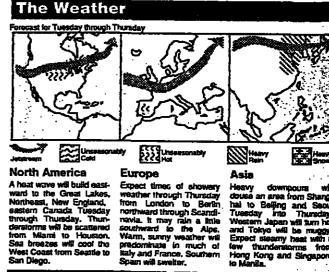
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

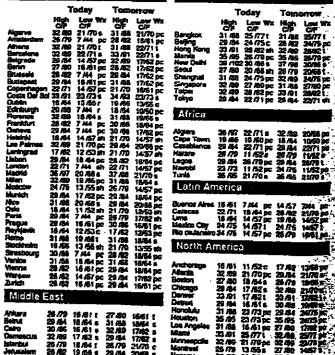
MONDAY: Botswana, Brunci. TUESDAY: Botswana. WEDNESDAY: Iraq, Poerto Rico, South Korea

THURSDAY: Uruguzy. FRIDAY: Burma, Nicaragua

SATURDAY: Colombia. SUNDAY: Israel.

Source: J.P. Morgan, Reuters.





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BRIEFS

or Target, Turks Sa a spapers reported Sunday that offer raids last week on suspected length acts on U.S. targets during the vary across in Turkey on Saturday, and to Istanbui

a level of preparedness of the length foreign head of state. Interior Market weekend, referring to the police of pected terrorists in Istanbul He did a control of the set who or what weekend.

pecces in course in some needs area, not did he say who or what make r targets.
12 captured during the raids. The polyect to Des Sol. a Marxist urban pronters. Charged Sunday that the follows.

4 China Activists Chinese student activists from the ing Kong on Sunday to allend a page despite the fact that they had the of Students which claims 1000 be the British colors with not know as signify of Florig Kong in 1997. He was not know and he he Castagent of the tase and the tase the training of the state of th

al press exercis, which is China's delic al press agency, which is canasched to the conference, saying themse settings. According to the redention of Official in Gaza Stri Disputches Masted Palsace
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reports said Sunday They also gift
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Solution to Friday's Puzzle

TOKYO - An investigation into one of Japan's leading military contractors, suspected of illegally trade, and makes us look like fools. No one is likely to offer this company much mercy," exporting millions of dollars worth The Japanese-made equipment of missile parts and guidance sys-tems in the 1980s, is forcing the

By David E. Sanger
New York Times Server

government to face a deeply un-

comfortable question: Was Japan a secret conduit for illegal American

The government prides itself on its virtual ban on arms trading, and

at the London summit meeting of

seven industrial powers, Prime Minister Toshiki Kaifu is expected to press for an agreement that would force countries to report

But in the past week, new evi-

dence has emerged suggesting that

Japan Aviation Electronics Indus-

try Ltd. secretly funneled far more

sophisticated military electronics equipment to Iran than first be-

lieved, and worked hand in hand

with a Miami company that has

long been suspected of other tech-nology diversions to Iran.

"The timing with the Iran-contra

diversions is remarkable, and we

are wondering if it can be a coinci-

dence," said a Defense Agency of-

ficial. "It contravenes everything

conventional weapons sales.

weapons shipments to Iran?

included gyroscopes, inertial navigation systems and other sophisti-

Aviation is permitted to sell the equipment only to the Japanese military, which requires that most of its components be made in Ja-

this country has been saying about der license from American military the need to stop international arms contractors.

Aviation's stock is owned by one of en separate transactions in which the world's biggest electronics conmilitary electronics was apparently the world's biggest electronics consider to a separate transactions in which the world's biggest electronics consider to a separate transactions in which the world's biggest electronics was apparently sold to a separate transactions in which the world's biggest electronics consider to the world's biggest electronics.

Iran-Contra Intrigue: Was Japan a Secret Conduit for Illegal Arms Shipments?

glomerates, NEC Corp. So far, no arrests have been cern, which they identified as Aero made. But the Japanese authorities Systems Inc. have raided Japan Aviation's of-

sold to agents of the Miami con-

The equipment was allegedly fices in Tokyo, and officials famil-transferred in hotel rooms in Toiar with the investigation say they kyo and transported, in ordinary found evidence of more than a doz- luggage, to Hong Kong and Singa-

Other officials say they are not aware of evidence that the Japanese government knew of the transactions in advance, or approved sales under pressure from the United

For Japan the case has disturb-

In the aftermath of the Toshiba scandal, when a subsidiary of To- scandal, most of Japan's major shiba Corp. was discovered to have shipped huge machine tools to the control policies, including NEC Soviet Union. American officials and Japan Aviation. But the sales contend that the tools were used to to Iran apparently continued until make special propellers that help Soviet nuclear submarines evade

So far the police have said little about what Japan Aviation sold to Aero Systems. Most of the equipment seems suited for Sidewinder missiles and American-made fight-

As in the Toshiba case, Japanese investigators apparently knew nothing about the exports until they received queries from American officials. The questions about Japan Aviation apparently arose from a U.S. Customs Service investigation. Affidavits filed in Miami in December 1989 by Customs officials alleged that Aero Systems circumvented export controls and used a front company in Hong

Kong, Hierax Co. For reasons that are not clear, Aero Systems apparently turned to Japan Aviation to supply equipment that is also made in the United States. Some executives speciflate that because export control enforcement has historically been lax in Japan, it is possible that the companies determined that these was little risk of detection.

CIA and Arms Dealers Linked to Bank Seized by Regulators

By Jeff Gerth

New Yark Times Service
WASHINGTON -- The Bank of Credit and Commerce International, which was seized last week by international regulators, was used by the Central Intelligence Agency for secret opera-tions, according to U.S. government and bank documents as well as present and

former government and bank officials. The bank was also involved in secret arms deals, including the covert sale of U.S. arms to Iran in 1986, according to the documents and the officials.

Before its collapse, the banking com-pany used its Luxembourg license to offer private financial services to individnals and, at its peak, operated in more than 70 countries, many of whose governments were customers.

bank to operate with secrecy, under relatively lax regulation, helping to attract

The bank's owners and managers included heads of state as well as people with ties to intelligence agencies and armed services throughout the world, according to records and former bank offi-

Evidence is emerging that in its 19-year history, a customer of the bank, Adnan Khashoggi, the Saudi arms dealer, helped finance secret sales of arms to Iran through his BCCI account. It is also believed that the CIA used the bank to aid

Afghan rebels. The CIA's use of the bank was confirmed by former and current officials, including William von Raab, who was the U.S. commissioner of customs in 1988 when a subsidiary of the banking

company was indicted in Tampa, Florida, for laundering drug money.

Mr. von Raab said, "We discovered the CIA used them for its accounts for paying unnamed people, covert ac-

After the bank pleaded guilty to the charges in 1990, it cooperated with feder-al inquiries into General Manuel Antonio Noriega, the former Panamanian leader, who also used it for intelligence and political operations, according to congressional records, court records re-lated to the money-laundering case in Florida and former BCCI officials.

Before the 1988 Tampa indictment, CIA officials provided customs officials with background information about the bank, but they did not interfere with the investigation, Mr. von Raab said in an interview this week.

Mark Mansfield, a spokesman for the CIA, declined to comment. In Washington, several telephone calls seeking comment from the bank's law firm, Patton, Boggs & Blow, were not

Government and bank officials said three years ago in interviews that they believed that the banking company had been used as part of the CIA's program to support anti-Communist Afghan guerril-

At the time, bank officials declined to discuss it and it was not clear what the bank knew about the agency's opera-tions. But it is clear that the Alghanistan program has relied heavily on the Saudi and Pakistani governments. They are the base for several founding investors and

A leading investor in the bank, Kamal dham, formerly headed the Saudi intelligence service and has substantial busi-One of Mr. Adham's business partners

has been Raymond H. Close, the CIA station chief in Saudia Arabia in the 1970s. The Wall Street Journal reported Friday that a BCCI audit last year by Price Waterhouse, the accounting service, raised questions about the bank's large loans to insiders, including more than \$300 million in loans to Mr. Adham. In an interview with Mr. Khashoggi in 1987, the arms dealer made bank records available that showed financing for \$17 million of the secret sale of arms to Iran in 1986 by the Reagan administration came from accounts controlled by Mr.

Khashoggi at BCCI's branch in Monte

bere is much to be said for a refined yet casual sense of style. But, with the completion of The Peninsula Beverly Hills,

those who truly appreciate luxury of this dimension will never have to speak of it. SHARE THE EXPERIENCE.



THAT SINKING FEELING - The \$150,000 home of Pauline Bennett, 71, after it collapsed into a sinkhole 60 feet deep and 150 feet wide in Frostproof, Florida. The owner, who was awakened by popping sounds from the attic, escaped unburt out the back door.

AMERICAN TOPICS

Fewer Blacks Playing Or Watching Baseball

Fewer blacks are participating in baseball, either on the field or The Washington Post reports. The percentage of black players in the major leagues has fallen from a high of 23 percent, in the mid-1960s, to 18 percent this year. By contrast, last season 74 percent of National Basketball Association players were black, as were 62 percent of those in the National Football League.

Blacks constitute 12 percent of the U.S. population but only 6 percent of baseball crowds, and this may be dropping. Hank Aaron, the former baseball star who is now a vice president of the Atlanta Braves, says baseball teams are making money without pushing black attendance. Another reason may be that as baseball fields require more mainte-nance than basketball courts or

shrift from inner-city schools

chronically short of funds.

The Post devoted an editorial to the trend, saying: "Baseball ought to go beyond its commendable effort of the past few years to increase minority representation in managerial jobs. A serious effort to promote the game in inner cities would involve a commit-ment of time and money not only from its front offices but from its volve large-scale scholarship assistance, a lot of free tickets and more youth league sponsorship." Taking the problem seriously, The Post said, would be "both good politics and a good invest-ment" in the future of the Ameri-

About People

"Not Without My Daughter," Betty Mahmoody's harrowing account of her escape from Iran with her American-born daughter after her Iranian husband tried to sequester the child, did fairly well as a paperback in the United States but flopped as a movie. The book is a runaway best-seller in Europe, however, selling miltions of copies in France, Germafootball fields, they get short I ny and Sweden, and the film is

doing well. Mrs. Mahmoody "There are an enormous number of migrant workers in Europe, and the international abduction of children in bicultural marriages is a major problem."

Ruby Keeler was the twinkletoed tap-dancing star in three of Busby Berkeley's Hollywood extravaganzas of the 1930s, with monumental dance numbers fea-Miss Keeler, 81, recalls that the dancing itself was not very hard in Berkeley musicals, and she worked out the choreography for her own solos. "As a matter of fact," she told The New York Times, "Buzz couldn't dance. Didn't do a step."

Short Takes

In Congress, notes Guy Gug-liotta of The Washington Post, new phrases wear out fast from overuse. A while back, he writes, 'Congress was 'on the cutting edge' of everything, trying to find a 'window of opportunity' (still popular) to avoid having to 'bite the bullet.' "The new rhetorical favorites are "the level playing field," "the win-win situation"

and "you don't have to be a rocket scientist," as in you do not have to be a rocket scientist to figure out something that is obvious.

Louisiana State Penitentiary inmates who throw food at guards soon may be served splatter-proof "mystery loaves." Under a state plan, all ingredients in a meal would be mixed and baked in a loaf so that if thrown at a

Gloria Clyne reports in the Metropolitan Diary column of The New York Times that the family's beat-up 1979 Cadillac was stolen last month and recently recovered. When they went down to the precinct house to identify it, she and her husband, Leonard, "could hardly believe our eyes," for "gleaming strips of metal enhanced heretofore rusty doors and the right front light, no longer smashed in, was perky and new once more." Not only that, but "the thief had put in a new air-conditioning system." Indeed, "the car is driving so splendidly that we suspect he also put in new shocks and springs."

Arthur Highee

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For Women in Politics, Still a Long Way to Go

New York Times Service
WASHINGTON — Twenty
years after the National Women's Political Caucus was established to advance the election of women, the

day convention here expressed frustration that at a time of national debate over abortion rights, family-leave policies and health care, only 17 percent of the members of Congress are women, up from 1

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percent in 1971, when the group will lead the group in the next two

They noted that, despite the progress, there were no women on the Senate Judiciary Committee, which is weighing the nomination of group's founding members say the Judge Clarence Thomas to the Suroad to political equality has been preme Court, and that women have tougher than they expected.

Speakers at the caucus's four-drafting the civil rights legislation not played an important role in that has major implications for

working women.
"In 1971, there was a feeling that we just had to mobilize to get women into office and the world would change," said Harriett Woods, who

tenant governor of Missouri. "The world changed all right," she said, and speaking of the Su-preme Court, she added, "I don't think anyone foresaw that we would have a swing to such a con-servative court within 20 years or that the money and incumbency would tighten the lock of the male power structure on access to jobs." Ms. Woods said she expected the

more than 300 delegates participat-

ing in the meeting to approve three

major resolutions. About 1,000

husband

53 Sidelong

people were attending the gather-ing, which was to end on Sunday. One resolution would oppose the nomination of Judge Thomas, saying it "presents a clear and present danger to women's rights."

Another resolution would urg Congress to pass a law that would bar the Bush administration from enforcing a regulation prohibiting federally financed family-planning clinics from giving women advice about abortion.

A third resolution would urge

Congress to move women into

IDIOMS, SLANG & COLLOQUIAL EXPRESSIONS OF MODERN AMERICAN SPEECH.

Two easy-to-use dictionaries, co-published by the International Herald Tribune and the National Textbook Company of Chicago, contain more than 18,000 references to the kind of colorful American language you and your family hear in the movies, on television, on college campuses or in the streets —and read in interviews and news reports in your favorite newspaper. Expressions so special you rarely find them in standard dictionaries. Compiled by lexicographer Richard A. Spears,

Ph.D., all the entries are cross-referenced for both form and meaning, and the origin of expressions is included when

The set is an essential reference tool for anyone who deals with the United States and with Americans on a regular basis. And it's a super gift idea for anyone interested in the animated language of America today, including students and business executives. Order today for timely



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· Phrase-Finder index allows you to find any expression in the dictionary even if you know only one or two key words of the phrase. Partially remembered expressions are quickly located.

 Each entry has at least two sample sentences illustrating the way in which the expressions are used.

Notes of caution are included where material is

inflammatory or taboo.

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Herald Eribune

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59 Two-winged fly

Within G-7, Britain Tops List Of Economic Problem Areas

Following are sketches of the summit nations economies, as compiled by Washington Post correspondents:

LONDON - Still mired in a deep recession that has cut a swath of devastation through many cities and towns, Britain's economy is by most statistical measures in the worst shape of any of the G-7 coun-

Manufacturing output fell 6.8 percent over the past year. Unemployment is nearing 8 percent and rising rapidly. Interest rates remain high and are the highest among the leading Western states outside of Italy, even though the base lending rate was cut Friday to 11.5 percent.

The only bright spot is inflation --- now down almost half from seven months ago to an annual rate of 5.8 percent. But the government has paid for it by dramatically throttling back growth and allowing unemployment to rise.

More than 23,000 firms went out

of business in the first half of the year, according to a Dun & Brad-street survey. That is 125 companies per day, a 66 percent increase over the same period a year ago.

The evidence is visible all across Britain — empty shop windows, going-out-of-business sales, for-

The Paris-based Organization for Economic Cooperation and Development projects slight growth in the second half of the year of a third of a percentage point, then a slightly larger increase in 1992, although at a rate well below the rest of the G-7.

Some other analysts say signs of recovery are a mirage. A new survey of 1,600 managing directors by Dun & Bradstreet showed their companies were expecting lower further cuts in stocks of goods over

-GLENN FRANKEL

MUNICH — They rose at 3 in the morning, 800 men from Eastern Germany, cramming themselves onto buses heading to a place that was a dreamland only a few months

Their steel plant, a typically overstaffed and outdated Communist enterprise, had been bought up by a Western company, Kuge-fischer. To Easterners still wideeyed at the prospect of joining the Western market economy, this was paradise - their old job with the security and novelty of a Western

ters in Bavaria. rectors are quite disturbed by these dramatic, inforesecable circumstances." The men from the East. unemployed for the first time in their lives, boord.

Seen from the East, the German economy is in a tailspin. Unemployment in the East is nearing 40 percent and soaring monthly as the Bonn government and the Treuhand - the private agency in percent charge of seiling off Commu era properties — quit subsidizing bloated and hopelessly unprofit-

able enterprises.

The cost of subsidizing the old and jump-starting the new has begun to drag down even the resilient Western German economy. Bonn has revised its growth forecast for the West downward, to about 2.5 percent to 3 percent. Public borrowing has reached record levels The foreign trade account is in the red for the first time in 10 years. German interest rates remain high as a nervous hedge against infla-tion, which is expected to jump a point to a frighteningly un-German

percent this summer. There are some healthy signs. For the first time since remification, Western German companies are shipping more goods than food to the East, a sign that Eastern consumers are willing once more to eat staples produced in their own

lost in the East continues to outpace the number of new jobs, the transformation there is generating lots of new employment in the West, as plants gear up to handle the new demand for cars, electronic appliances, clothing and food.

— MARC FISHER

PARIS — After enjoying nearly five years of a boom. France is getting nervous about the prospect of an economic tailspin. During the first half of 1991, French output was flat and even the most optimistic forecasts, such as last week's OECD report, predict the economy will grow by only 1.4 percent. Unemployment has soared to 9.5 percent, and Labor Minister Martine

Then came the layoffs, and last interest rates soon to promote a week the jobless showed up on the quick upturn, or risk the kind of steps of Kugefischer's headquar- serious economic deterioration that could inflame a "hot autumn" of The company chairman, Fritz strikes, street rioting and other Schaefer, told them: "We're experi- forms of social unrest that some encing a difficult period. Your di- commentators believe would make the turnsoil of 1968 look tame.

The man on the spot is Finance Minister Pierre Beregovoy, the architect of the "strong-franc" policy that restored confidence in the Socialist government after a disastrous round of nationalizations and freewheeling spending a decade ago. Mr. Beregovoy's actions have helped bring inflation down to 3.3

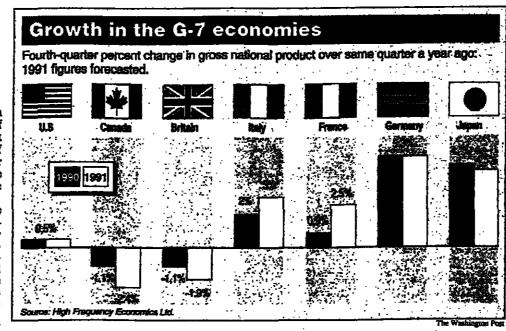
But France's hands are tied by Germany's dominance of the Euro pean Monetary System. Germany's desire to maintain high interest rates to combat inflation is starting to exasperate the French government, and it is highly conceivable that France will team up with the United States at the London summit meeting to urge a global round of interest rate cuts.
— WILLIAM DROZDIAK

TOKYO — A recent article in the press here vividly illustrates the contrast between the current condition of Japan's economy and that

of other major industrial nations. Where most Western economies are enduring bouts of high unemployment, Japan is experiencing a labor shortage in which nearly 1.5 job openings exist for each appli-cant. So, according to the Nikkei Weekly, a growing number of for-eigners from advanced nations who can't find work at home are coming to Japan to take low-status jobs that many young Japanese shun. The Nikkei article cited the example of a 25-year-old Canadian with an accounting degree who is serving shabu-shabu, thinly-sliced beef, at a Tokyo restaurant, and two American women who were recently hired by a maid service to

clean Japanese homes. As the story suggests, the Japa-nese economy is chugging along quite respectably. But after a spectacular boom in the latter half of the 1980s, it is finally starting to slow down - a goal sought by the vent a recurrence of the speculation that drove land and stock prices to stratospheric levels.

On the surface, the slowdown is Anbry bluntly warns it will get showed an astonishing annual That gloomy scenario is exerting first three months of 1991. But a about as many economists who pressure on the government to cut look at some individual sectors think the nation will do better than



down public-sector spending.

past recoveries, with smaller busi-

nesses likely to be pinched the

most. And a heavy load of debt on

both businesses and households

may dampen spending and invest-

Nevertheless, the recovery seems

- JOHN M. BERRY

to be launched, and no new shocks

TORONTO - The federal gov-

ernment has tightened measures to

curb smuggling of cigarettes, liquor

and other consumer goods from the

United States, but traffic across the

bridges and other crossing points

between the two countries sudden-

ly is booming again, a sure sign that

Canadian consumers are more op-timistic that the recession that has

A study by a Toronto retailing

analyst, Clayton Associates Ltd.,

reported that cheaper U.S. goods

lured 5.2 million one-day shoppers

across the border in May, nearly 20

which unemployment rose above

the 10 percent level, has left deep

scars on the Canadian economy.

But like its neighbor to the south,

Canada is showing signs of emerg-

A 15-month recession, during

percent more than in April.

ing from its slump.

gripped the country is ending.

are looming on the horizon.

CANADA

shows emerging weakness: Hous-ing starts have been dropping; capital investment by small companies was off 7.5 percent in the first quarter; and household spending on big-ticket durable goods was down 3.2 percent.

Optimists forecast that growth will moderate just a bit, to the 3.5 percent to 4.5 percent range, in 1991 and 1992. Pessimists see growth falling below 3 percent.
— PAUL BLUSTEIN

UNITED STATES

After months of recession-driven statistical gloom, the chairman of the Federal Reserve Board, Alan Greenspan, observed last week. "I think the evidence is increasing week by week that the bottom is past and the economy is beginning

to move up. But the end of a recession, as many businessmen and unemployed workers are quick to note, does not suddenly mean good times. As the ever-cautious Mr. Greenspan said: "We still do not yet know how rapid the recovery is or the underlying strength of it."
That is the debate among U.S. economists. How strong will the

recovery be? The average jump in the gross national product for post-World War II recoveries is 6.7 percent. For plenty of reasons, almost no one thinks the U.S. economy will snap back in such spectacular fashion this time.

Instead, many forecasters are predicting the recovery will match the decline: real GNP fell only about 1.1 percent, half the usual hard to detect. Government figures decline in post-war recessions, and the recovery will be at about half growth rate of 11.2 percent in the the normal pace as well. There are

monthly gain in more than two years. Canadian economists are 3 percent or so over the next year as think it will do a bit worse. A variety of forces will be holdpredicting annualized 4 percent growth in the last six months of this ing down growth. A huge number of empty office buildings and a lack of credit for speculative home year, held back partly by a weak U.S. recovery. building will limit gains in con-struction. Budget problems at ev-ery level of government will hold

But the federal government's budget woes are proving to be a serious problem. The federal debt is \$380 billion, equivalent to more than 60 percent of the gross domes-Troubles in the banking industry will make credit generally less readily available than during most tic product. -WILLIAM CLAIBORNE

ROME - Italian national pride has taken two severe knocks in recent weeks. The first came on July 1 with the announcement that Moody's Investors Service Inc., the U.S. credit-rating agency, was downgrading Italy's status from triple-A to AA1, making it the only G-7 country not to hold the maxi-

mum rating.

A week later, Italy suffered the miliation of bearing that it had the second-lowest economic performance in the European Com-

The criticism has come as a serious blow to a country proud of the so-called economic miracle, which saw Italy recover dramatically from postwar devastation.
Italy's 1990 growth rate of 2 per-

cent was the lowest since 1983, but respectable compared with that of some other G-7 countries. The 1991 forecast is for a growth of between 1 percent and 15 percent. Unemployment, though still high at just over 11 percent, actually fell by 1.4 percent last year.

But Italy's two biggest problems, the ones highlighted by both Moody's and the EC, are its inflation and its gargantuan public debt. Inflation now stands at 6.3 percent annually and the OECD predicted that it would rise to 6.4 -CLARE PEDRICK others the Americans did."

WASHINGTON -Secretary of State James A. Baker 3d and Foreign Minister Alexander A. Besshard nepotiations, but nepotiations mertnykh of the Soviet Union said Sunday they had reached agree-ment on all but one issue in a hisin good faith.

toric strategic nuclear arms treaty. The final question will be discussed — and perhaps decided by President George Bush and President Mikhail S. Gorbachev when they meet on Wednesday in London on the fringes of the eco-nomic conference of industrialized

Conclusion of the treaty, known as START, for Strategic Arms Re-duction Talks, would clear the way for a much-awaited U.S.-Soviet summit conference in Moscow. "We have made terrific pro-

gress," Mr. Baker said at a news conference at the State Department after four straight days of negotia-tions with Mr. Bessmertnykh. "We have one very technical as-

pect of a problem to deal with,"

Mr. Bessmertnykh said. The one sticking point, Mr. Baker said, was on the definition of "throw weight" — or payload — for determining whether or not a new missile is a new type of missile. The question is so technical. he said, "it takes very technical

Mr. Baker said that "the experts will continue to work this issue" and then will report back in time for the Bush-Gorbachev encounter

"It was really a tremendous ef-fort on both sides," Mr. Bessmert-nykh said. Of the issues in the talks, he added. They were the most difficult because they were left to the last to decide."

The joint announcement appeared to mean that after 10 years of on-and-off negotiations the superpowers were on the verge of a treaty that for the first time would mean reductions in their strategic nuclear arsenals — the planes and Arms Output missiles that can span continents

Under the terms of the nearly completed treaty, the United States and the Soviet Union would cut their strategic weapons by about 30

Asked about who had made the most concessions, the Soviet for-eign minister replied, "On some is-

U.S. and Soviets Hail Breakthrough On START Treaty

"On balance we have a common document," he said. Mr. Baker said, "There was good faith negotiations on both said

Bush No.

To Law S

Minority

By Neil A. Lewis

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Mr. Goldstein said Thurs

Of the remaining issue, he said:
"If both sides hadn't had really genuine and serious, substantial concerns, we would have closed our

Completion of the treaty is the U.S. condition for a long awaited summit meeting between Mr. Bush and President Mikhail S. Gorpachev in Moscow this summer Mr. Bush wants to set a date for

the meeting sometime in late July but has insisted that the SAKT talks be completed before he will

Mr. Bush and Mr. Gorbachev both have expressed determina to complete the treaty, which has been almost 10 years in the making

But, Mr. Bush said Sunday, "We are not going to make a deal to just try and get something done before Wednesday. Nor are the Soviets."

Mr. Gorbachev is eager for a U.S.-Soviet summit conference, but he has had to balance his desire for a meeting with the demands of his military for a firm stand in the START talks. Taking part in the negotiations at Mr. Bessmertnykh's side was the Soviet chief of the general staff, General Mikhair A. Moiseyev.

(AP, Reuters, AFP)

Gorbachev To Seek Aid In Reducing

By Paul F. Horvitz

WASHINGTON - President Mikhail S. Gorbachev will tell Western leaders in London that he plans "to radicalize" the Soviet Union's move toward democracy and a market economy and wants to enlist Western assistance in reducing Soviet arms production. Kremlin aides said Sunday. Igor Malashenko, a Gorbachev

adviser and an analyst for the Communist Party Central Committee, said on ABC-TV that converting defense factories to civilian purposes was a problem on which Mr. Gorbachev would seek Western cooperation.

At one point, he termed such cooperation a possible "joint project." Another such venture would probably involve energy production, he said. Yevgeni M. Primakov, a senior

foreign affairs aide, said in an NBC TV interview that Mr. Gorbachev planned "to radicalize" economic and political changes. But he said a timetable and the depth of the changes depended on the reaction of the industrialized

There would be a risk of "social uprising," he said, if prices were allowed to seek their market level at a time when goods are scarce. His statements suggested that Mr. Gorbachev may seek to play on the West's fear of Soviet disintegration and chaos in his bargaining with Western leaders gathered for the economic summit conference.

Mr. Primakov stressed that issues of "mutual interest" would be discussed. "We don't want to need or to beg something," he said. Neither adviser offered details of Mr. Gorbachev's intentions when

he meets Western leaders after the G-7 meeting, but instead sketched broad themes.
"We would like to reduce sharp-

ly the military spending, but it's not 🕡 just a problem of money," Mr. Malashenko said. "It's an enormous logistical problem, because it's a huge industry. There are millions and millions of people producing all these weapons and it cannot be done overnight." He added: "How to convert the

Soviet military industry to civilian purposes without destabilizing the whole country is one of the major problems, and Gorbachev is going to suggest it to the West as a field of

Mr. Primakov, who was Mr. Gorbachev's special envoy to Iraq in the months before the Gulf war.

society," he said. Conservatives in the Kremlitt

situation before making radical changes, Mr. Primakov said. The "main idea" that Mr. Gorbachev will carry to London, he said, is "to stabilize during our move to the marker rather than putting off changes until stability is achieved.
"Of course," Mr. Primakov added, "the level of radicalization, the

pect to see from the other side, from the West."

ingredient for Soviet change, its ed, but it will help "minin

The 'Second Agenda' Problem: Analyst Calls for Change in G-7 Process Sylvia Ostry, chairman of the Center for international Studies at the University of To-

ronto, recently led a study group sponsored by the Group of Thirty, an independent organization of prominent economic analysts, that just released a report on the Group of Seven summit conference and collective security. She spoke with Tom Redburn of the International Herald Tribune about the G-7 conference opening Monday in London.

Q. Have the G-7 economic summit meetings lost their original purpose?

A. Yes, and that is why it is time to change the way they operate. The Cold War gave the Western democracies a binding orientation. That has gone. A more gradual development is that the United States is no longer the single dominant economic power. So what we need is a new definition of global security.

Q. But doesn't this new reality you describe, in which the Soviet Union is no longer the chief adversary of democracy and capitalism, mean that the G-7 countries no longer have the same need to cooperate with each other?

A. The illusion is that they lack a binding security focus. But in fact, there are other issues of extraordinary importance that will produce

to these forces. Look at Yugoslavia, the Gulf war or, more broadly, the threat of environmental degradation, migration flows, poverty. These were not considered global security issues, but

discuss serious problems, or is it just an opportunity for the leaders to score political points at

Q. Is the summit a real forum for the leaders to

A. It is both things. In addition to the traditional issues, you have seen in recent years the

MONDAY O&A

development of a second agenda driven by events, driven by the crisis of the moment. The Gorbachev visit is a perfect example of that. This group is the only forum that exists that is reasonably flexible that can deal with the topical agenda. But if the topical agenda crowds off all other topics, you have lost a major opportunity to establish a continuing process of dealing with all the other very important issues. And that is what

has happened. Q. Why is that a problem? A. Because there is not enough follow-through. There was a massive thrust on the environment at the Paris summit in 1989. But there was no of keeping track of the situation.

Q. At Houston last year, the leaders made a nitment to complete the Uruguay Round in GATT by the end of the year. But the talks collapsed. Why?

A. Well, it cuts both ways. You probably would not have had the launching of the round in the first place if the summit had not pushed it in 1985. But there is no guarantee there will be a solution unless there is the political will to make it succeed. When that is lacking, there is nothing the summit can do to create the political will out Q. Aren't you setting out too broad an agenda?

Shouldn't the G-7 narrow its focus instead? A. There is an argument that they should become more restricted forum — becoming per-haps a G-3 with just the U.S., Europe and Japan - and go back to basics by focusing on the coordination of macroeconomic issues. I don't

You need a place to bring these issues to the table. Where would you begin the discussion, in the United Nations? In the Organization for Economic Cooperation and Development? In the General Agreement on Tariffs and Trade? In

Q. Is Mikhail S. Gorbachev going to steal the show at the summit?

A. Yes, and that raises an important issue. It clearly is extremely important to deal with how the West should respond in economic and politi-cal terms to the visible disintegration of the Soviet empire. But the risk is that they will neglect the impact on other nations.

If you had a more systemic mechanism, you could relate ad hoc issues to the core agenda. At the same time, it is no longer possible to confine the debate to the G-7 and the European Community, which also attends. Where there is a major player that has to be involved in the debate, he should be present for that discussion.

Q. Should Mr. Gorbachev be a member of the

A. Maybe someday in the future, but not now. Just because Mr. Gorbachev has attended once, it doesn't mean there should now be a G-8. The Soviet Union is clearly not an appropriate entity.

tries whose policies will clearly have a major impact. But the G-7, for now, should remain Q. Does Europe, with four members plus rep-

issue, say the environment, is the dominant qu

tion, you should include, say China and Brazil,

and other representatives of developing coun-

resentatives from the EC Commission, have too much weight in the G-7 today? A. The question of what happens with Europe is clearly an item that will have to be solved

within the next few years. In a sense, yes, it is overweighted. On trade, the Europeans are represented by the commission, but they also carry extra weight because there are four major European powers there. But you should be flexible. You shouldn't narrow the club too much, because you would lose the advantage of different points of view and the political legitimacy from ustional leaders. So the current arrangement should be de-

signed to take into account that Europe carries more weight than its economic position would justfiy, but not so far that it eliminates different voices. It might be little untidy but there is a

British Rebuke U.S. **On Global Warming**

By Glenn Frankel

Washington Post Service
LONDON — Britain has sent a strongly worded letter to the White House criticizing the U.S. position on global warming and signaling that Britain will no longer automatically side with the United States on the issue at international conferences like the Group of Seven summit meeting here this week, according to informed British sources.

They said the environment secretary, Michael Heseltine, sent the letter to the White House chief of staff, John Sununu, earlier this

It accompanied a copy of a speech by Prime Minister John Major in which he called on the United States to join Britain in setting limits on carbon dioxide emiss This is an issue that the administration has resisted so far.

Mr. Major, speaking at a conference on Monday, noted that the United States accounted for 23 percent of the carbon dioxide emissions in the world - making it by far the largest polluter - and said: The world looks to them for decisive leadership on this issue, as on others." He said that although more research was needed on the issue "research cannot excuse inac-

"The threat is too serious," he

The speech marked a sharp break with the policy of his predecessor, Margaret Thatcher, whose government gave virtually automatic support to the United States when global warming and similar issues arose at conferences.

The speech and the Heseltine letter are the latest round in a British campaign to press the Bush administration to reconsider its stand.

Mr. Heseltine, who became environment secretary after helping bring about Mrs. Thatcher's downfall last November, traveled to Washington last month to try to persuade the White House that it had become isolated from the rest of the world on the issue and to offer help in achieving a compro-

Mr. Heseltine saw a number of senior administration officials, inchiding Mr. Summu, the director of the Office of Management and Budget, Richard G. Darman, and the administrator of the Environmental Protection Agency, William

It was reported that said his most

contentious meeting was with Mr. Summu, who insists that scientific evidence is not yet coordusive on

the so-called greenhouse effect. He

has taken the lead in opposing any

setting of a U.S. target for the re-

Japan Rightists Behead Cresson Effigy

Prime Minister John Major, left, meeting Sunday with Brian Mulroney of Canada.

TOKYO - About 30 Japanese rightists on Sunday guillotined an effigy of Prime Minister Edith Cresson of France in a Bastille Day protest against her attacks on Japanese trading practices. The rightists gathered in a central Tokyo park to demand that Mrs. Cresson retract remarks about the Japanese. One held a doll in pinkish-brown dress with a picture of Mrs. Cresson on the head and a rope wrapped around the waist. Another to screw the Europeans."

yelled "heaven's punishment" and decapitated it

with a wooden sword. Placards bore such slogans as "We are not yellow midgets," "Japanese are not ants," and "Let's boycott French products until she apologizes." Mrs. Cresson, who took office in May, has criticized Japan for practices she says threaten whole centers of Functional States. whole sectors of European industry. She once said that Japanese "stay up all night thinking up ways

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LONDON: No G-7 Extravaganza

(Continued from page 1)

journing for a roast beef dinner in the room where Anne Boleyn spent

All of this activity will, as is traditional at summit conferences, cause huge traffic jams. More than 200 motorcades are scheduled.

Also in keeping with tradition. an immense security operation has been mounted, with soldiers carrying machine guns in position at airports and on rooftops. The Irish Republican Army, Europe's most active guerrilla force, has been active in Britain lately, and renewed tension between Iraq and the West is another cause for concern.

An IRA mortar bomb in February just missed the Cabinet Room at No. 10 Downing Street, not far from Lancaster House, and the Carlton Club, which is even closer to the conference site, was bombed last year. Western security officials have also expressed concern about Mideast terrorists in the wake of President Bash's threats to renew United States bombing of Iraq.

"We certainly don't want Bush caught in a traffic jam like a sitting duck," a security officer said.

But one change will be immedi-ately evident. For the first time since 1978, Britain will be represeated by someone other than Margaret Thatcher, who hurried home from Paris in November 1990 in a futile effort to avoid being ousted as leader of the Conservative Party and thus as prime minister.

Her absence means that the club of seven is all male once again, and the group of spouses is all female with the departure of Sir Denis

But Mrs. Thatcher, who announced two weeks ago that she would leave the House of Commons after the next election, is a ghostly presence on the perimeter of this year's conference all the same, and not only because she continues to resist full British integration with Europe. Hers remains a name known around the world: Prime Minister John Major's is little known

Prime Minister Toshiki Kaift. went to her house in Chester Square, near the Palace, for tea Sunday afternoon, and President Mikhail S. Gorbachev of the Soviet Union is to see her Friday morning. President Bush may also be among those paying homage.

Mr. Gorbachev's participation in the conference, which was to have been strictly limited, now seems likely to grab most of the headlines and perhaps occupy most of the working time. He has even been asked to call on the queen on Thursday morning. Britain has been at this sort of thing for a long time, which may be why Mr. Varcoe, the chief planner.

is so laid-back about everything. even though this is the first time a Soviet leader has been invited to a summit meeting of Western na-The first summit conference in which this country took part was held on the Field of the Cloth of Gold near Calais, where Henry

VIII met François I of France, who

provided a rough sketch of Mr. Gorbachev's position as be prepared to fly to London.

"We do believe that we should radicalize our move toward the market and radicalize our move toward the democratization of our

power structure had wanted to sta-bilize the economic and political timetable, some accents to be put. depend on the move which we st-

Western aid is not a necessary

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"On balance we have a comdocument he said Mr Baker fact. There is no faith resociations on bod se hard resociations but resociations.

Of the remaining issue has all both sides hadn't had be genuine and senous to the concerns we would have don't Completion of the treat be

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To Seek Aid

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By Paul F. Horiz

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who is President George Bush's choice to succeed Justice Thurgood Marshall on the Supreme Court, is in many ways emblematic of the nation's confusion and ambivalence about racial preference plans. It is a subject Judge Thomas, who now sits on the U.S. Court of Appeals for the District of Columbia Circuit, would as a justice inevitably have to confront, because of the number of such cases in the

chance of succeeding.

courts now. His own words have occasionally embodied the contradictory re-

sponses the issue evokes. Judge Thomas has frequently talked about how he overcame a childhood of poverty by working hard in school. He has said the urgings of his grandfather and a group of nuns to make something of himself instilled in him a sense that blacks should not rely on preference programs but on their own

In a 1987 panel discussion at the

Minority Preference By Neil A. Lewis Center for the Study of Democratic Institutions in Santa Barbara, Cali-NEW HAVEN, Connecticut fornia, he said, "Ultimately any Judge Clarence Thomas, who came

Bush Nominee Got

To Law School on

New York Times Service

to prominence as a fierce black

tive action plan with the goal of

having blacks and other minority

members make up about 10 percent

of the entering class, university of-

Under the program, which was adopted in 1971, the year Judge Thomas applied, blacks and some

Hispanic applicants were evaluated differently than whites, the officials

ceed at the highly competitive

Abraham S. Goldstein, who was

dean of the law school from 1970 to

Mr. Goldstein said Thursday that the school used a set of mini-

mum standards based on college

grades and test scores to ensure

that it offered places to only those

minority students who had a strong

The career of Judge Thomas,

school_

When Joseph H. Duff, another critic of racial preference programs, was admitted to Yale Law School under an explicit affirmaparticipant, said he was admitted to the University of California Law School under a racial preference program and that was "good for society," Judge Thomas sharply in-terjected, "No, that was good for

Yet, in a 1983 speech to staff at the Equal Employment Opportuni-ty Commission, which he then headed, Judge Thomas said that affirmative action laws were of

"paramount importance" to him.
"But for them, God only knows
where I would be today," he said. Nonetheless, they were not admitted unless they met standards devised to predict they could suc-These laws and their proper application are all that stand between the first 17 years of my life and the

second 17 years."

Judge Thomas has refused to Because Judge Thomas has been comment on his view of affirmative such a resolute opponent of goals and quotas, the circumstances of action since his nomination by Mr. Bush. But Frank G. Washington, a his admission to Yale underscore California cable television executhe complexity of the racial curtive who was a close friend at Yale, rents that have swirled around his said he and Judge Thomas recently nomination to the Supreme Court. "We did adopt an affirmative discussed the issue by telephone. action program, and it was pretty clearly stated," said Professor

He said he and Judge Thomas became close because they were both black and had come from impoverished backgrounds.

Mr. Washington said that he and Judge Thomas "clearly recognized that affirmative action had helped us get to Yale." He said that in their telephone conversation, Judge Thomas mused about that issue, saying he thought such programs were acceptable when they were based not simply on race but "on some notion that we were actually underprivileged."

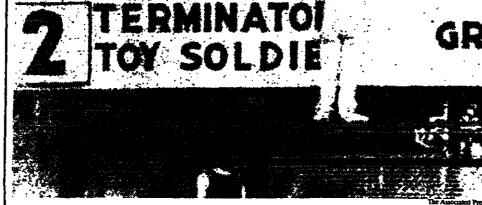
Raiph K. Winter, who was chairman of the admissions committee during the period Judge Thomas was at Yale, said the bottom line in admitting minority candidates was that "we didn't want anyone who would fail."

He said, "That would be terribly unfair as well as painful for the

Having two applicant pools meant that a high percentage of minority applicants deemed qualified were admitted while a far smaller percentage of qualified white candidates were admitted, said Mr. Winter, who now sits on a U.S. Appeals Court in New Haven.

Judge Thomas's grade sheets have been removed from the law school by the university's general counsel to ensure they are not reeased in violation of U.S. privacy

HOOD CANCELED AGAINST THE VALL



A sign in Riverdale, Illinois, being changed to reflect cancellation of "Hood" after a killing.

Violence at a Movie Premiere

U.S. Film on Urban Gangs Opens to Injuries and Death

ONE-YEAR 6 months SAVINGS (+ 26 issues)

By Richard W. Stevenson

New York Times Service
LOS ANGELES — Gunfire and pandemonium broke out at movie theaters across the United States at the weekend opening of an urban drama

with an anti-gang message.

Much of the violence appeared to have been started by rival gangs, and much of it took place in Los Angeles, where the film, "Boyz 'n the Hood,"

But a man was fatally shot early Saturday after a showing in Riverdale, Illinois, near Chicago, and at least 33 people were wounded in violence from Seattle to Minneapolis to Tuscaloosa, Alabama. In all, there were incidents at about 20 of the 900 theaters showing the film, according to the distributor, Columbia Pictures.

Executives at Columbia said Saturday that they would not pull the film from distribution. [Columbia said that eight theaters nationwide had canceled the film, The Associated Press reported from Los Angeles.]

At a news conference in Los Angeles, the direc-tor, John Singleton, 23, reacted angrily to sugges-tions that the movie was responsible for the vio-

"I didn't create the conditions under which people shoot each other," said Mr. Singleton, who also wrote "Boyz 'n the Hood," his first feature film. "This happens because there's a whole generation of people who are disenfranchised." To withdraw the film, he went on, would be an act of

"Boyz 'n the Hood" is the story of a group of young black men in the gang-plagued south-cen-

Country/Currency

tral section of Los Angeles. The "Hood" of the title is short for neighborhood.

Although the film has violent episodes, Columbia executives have been stressing for weeks that its message is anti-gang and anti-violence. The final frames carry the words "Increase the Peace." It has received glowing reviews from many critics.

Still, Columbia expected that there might be problems on opening night, and it had offered in advance to pay for guards at any theaters that wanted them. Many theaters were clearly unpre-

In the 18-theater Cineplex Odeon complex in Universal City, near downtown Los Angeles, the shooting started seconds after the lights dimmed. Five people were wounded.

"People were stampeding." Sally Dorsey, a mov-iegoer, was quoted by The Associated Press as saying. "People were running into the bathroom."
In Sacramento, California, a 19-year-old woman was shot six times in the chest and shoulder when two young men opened fire on deputies who were trying to break up fights outside the theater.

In Minneapolis, a shot was fired in a downtown theater, and part of the crowd spilled out into the street. At least four people were wounded, two critically, when shots were fired from a passing vehicle, the police said.

The violence recalls similar episodes at showings of films in which urban violence is a theme, most recently in March, with the film "New Jack City." On its opening night, violence was touched off at movie theaters around the country, including a two-hour rampage in Los Angeles and a fatal shooting in New York City.

The Embassy's Tough, but ...

By Lee Hockstader Washington Post Service SANTA TECLA, El Salvador —

How tough is the new U.S. Embassy under construction here? Just

Tough enough to withstand an earthquake, they say. Tough enough to resist a rocket-propelled grenade attack, says one. Tough enough to handle a round from a light anti-tank weapon, says anoth-

But ask if it is tough enough to survive the vagaries of U.S. foreign policy, and the experts demur. Better ask Congress, they say.

The new embassy complex, scheduled to open early next year at a cost of about \$70 million, is the size of a junior college. One of the largest State Department projects, it features eight buildings spread over a 26-acre lot in what the archi-tect calls a "Mayan village concept." (Translation: The buildings are set at varying angles).

proportion for a country with just 5.5 million people, it is. When it opens, the complex will hold more American employees than the U.S. Embassy in Brazil, which has a

population of about 150 million and one of the world's largest econ-The new embassy was approved by Congress in 1987, when Central America was at the top of Washington's foreign policy agenda. At the time, the Reagan administra-

tion was sending \$600 million a

year (plus covert funds) to prop up

a Salvadoran regime besieged by a Marxist insure Now, as 1,000 workers rush to get the new embassy ready for occupancy. Washington's gaze has turned elsewhere and U.S. aid to El Salvador has shrunk by a third. As for the guerrillas, they're calling themselves Social Democrats and predicting a cease-fire agreement

will be signed within months.

lysts here think, what will become of the U.S. presence?

Asked about the future of the new embassy, one U.S. official mused: "If push comes to shove, you could subdivide the property. Conceivably, the whole complex could be sold at a decent price."

The new complex includes the nbassy, the ambassador's mansion, Marine barracks, offices of the Agency for International Development mission, a commissary, a cafeteria and service buildings, all fitted with nonopening, bulletproof windows. There is room for 500 workers, including U.S. and Salvadoran employees.

And that's just in Phase 1. Phase 2 entails adding a swimming pool, tennis courts, a warehouse and a new residence for the deputy chief

From Washington Post, **Apology for Plagiarism**

By Howard Kurtz

Washington Post Service
WASHINGTON — The Washington Post has apologized to The Miami Herald for publishing a story on mosquito infestation in Flori-da that lifted substantial information from three Herald articles, including several quotations, without giving the paper credit.

The Post's managing editor, Leonard Downie Jr., said that the reporter who wrote the story, Laura Parker, the Miami bureau chief, had left the paper. He would not say whether Ms. Parker had resigned or had been fired, calling it an internal personnel matter. Editors said that Ms. Parker had

not interviewed three Florida residents quoted in her article - the only people quoted by name — and that she had taken their comments from the Herald accounts.

Ms. Parker, who was called back to Washington to discuss the article and met with top editors on Friday, could not be reached for comment. The Post said in a clarification

on Saturday that the article, published July 7, "violated Post poli-Mr. Downie said the paper's editors had concluded that Ms. Parker had used "a great deal" of information from the Herald "without any attribution to the Herald or any indication to the reader that this

was anything other than original

Ms. Parker, a former Nieman fellow at Harvard University, joined The Post's national staff

work.

in 1986 and initially covered transportation. In the fall of 1988, she moved to Miami to open the pa-

per's bureau there The Post sent a letter of apology to the Herald, Mr. Downie said.

The Post's clarification came two days after a New York Times editor's note that said a Times article had borrowed improperly from a Boston Globe account of a plagiarism incident involving a Boston University dean.

Hoge Steps Down At Daily News

New York Times Service NEW YORK - Robert Maxwell owner of The Daily News, has announced that James F. Hoge is

no longer the paper's publisher and chief executive officer "by mutual Mr. Maxwell added that Mr. Hoge would work for Maxwell

Newspapers, which includes the Mirror in London, as a consultant and would spend the fall semester as a fellow at the Institute of Politics at the Kennedy School of government at Harvard University. The Daily News is struggling to

regain circulation and advertising lost during the recent strike. The paper received another blow recentwhen 20th Century Fox, owned by Rupert Murdoch, Mr. Maxwell's rival, removed its advertising.

Party Gains Continue for from the Seattle Post-Intelligencer Republicans

By Adam Clymer New York Times Service

WASHINGTON — After a decade of party growth, Republicans have drawn almost even with the Democrats nationally, and barely ahead in the allegiance of white and adults under the age of 40. Polls by The New York Times

and CBS News over the first half of the year show that 34 percent of the 14,695 persons interviewed call themselves Democrats and 31 percent Republicans.

While President George Bush's popularity gives the trends a lift the party's strength runs beyond him personally.

The latest poll, conducted June 3-6, shows that more Americans have a favorable view of the Republican Party than of the Democratic Party. Republicans are preferred for ensuring prosperity.

But the telephone poll of 1,424 edults shows Democrats substantially ahead - 53 percent to 24 percent - on issues linked to its mage as the party that cares more about human needs, from education to health care. The poll has a margin of sampling error of plus or minus three percentage points.

Younger Americans were once overwhelmingly Democratic, splitting 37 to 20 that way in 1980. polling, with the rest uncommitted. But in this year's 11 Times/CBS News Polls, the Republicans have a lead of 35 to 28 percent among

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Tasks for the Summit

As the big seven gather in London this will push every other subject off the table. week for their annual summit meeting, their But the past year has given other work as eighth man at the party, Mikhail Gorbachev. In the past, these gatherings have often been little more than courtly ceremonies, but this time there is serious business to be dealt with. The seven have agreed in advance that they are not going to offer the Soviet Union massive new loans or aid programs. But when Mr. Gorbachev arrives in midweek, perhaps some of the seven will feel impelled to go a few steps beyond the narrow menu of technical advice that their briefing papers would offer him.

The Soviets have not yet come close to making the fundamental political decisions necessary to transform their economy and enable it to use Western loans successfully. But it is also true that a collapse of their economy would serve nobody's interest. That is the dilemma confronting the new international order. Germans, who are closest to it, feel it most acutely. They fear that the Soviets' continuing slide into deeper poverty would not only create political chaos there but also exert an enormous economic drag on all of Eastern Europe including Eastern Germany. Beyond that, it might mean masses of refugees desperately moving westward. That is why Germany seems to be emerging as the interlocutor between Mos-cow and the West — another astonishing aspect of this astonishing new order.

The danger in this meeting is that the drama and importance of the Soviet decline

agenda is going to be dominated by the well to the seven. The world trade talks are still blocked by the European Community's inability to restrain its wildly excessive agricultural subsidies. It is very possible that these talks will shortly fail altogether. If that happens, the reaction in America and in many countries is likely to be protectionist and destructive. President George Bush cannot do much more than warn the Europeans once again, and forcefully, that un-dermining the world's trade rules will benefit neither them nor anyone else. But he needs to do that much.

The war with Iraq and the current search for its illicit weapons may also be on the minds of the seven. That war demonstrated vividly the unwisdom of indiscriminate arms sales. There never was a better time to get the arms trade under control. The seven governments represented in London - perhaps with the help of the eighth -have an opportunity to make real progress this summer.

This long series of annual summit meet-

ings quickly evolved from private conversations on economic policy to elaborate spectacles in which the principal figures often seemed hardly more than bemused tourists. But the world's economy does not regulate itself automatically -- not without repeated panics and crashes. It needs to be managed. The seven are its board of directors and, whether by decision or by default, they will set its direction for the months ahead.

- THE WASHINGTON POST.

Inadequate Regulation

As far as is known, U.S. banks and bank customers have not been seriously scorched by the scandal-ridden Bank of Credit and Commerce International. As far as is known. The full story of the bank's multibillion-dollar rise and fall has yet to be told. But one important message is already clear: Bank regulators have been too tolerant.

Authorities in seven countries seized BCCI offices on July 5 on charges of wide-spread and long-standing fraud. The bank is, or was, one of the world's two dozen largest. Created by Pakistanis only 19 years ago with Middle East capital, and lately controlled by the ruling sheikh of Abu Dhabi, it has offices in 69 countries. Its principal bases were Luxembourg and the Cayman Islands, famed havens for loose financiers. A special audit for the Bank of England finally sniffed out the alleged fraud that may have siphoned off billions of dollars.

In effect, the bank had no real home no single authority keeping an eye on the whole show. Regulators in several countries made a stab at coordinating supervision. after BCCI pleaded guilty to drug-money laundering in Florida three years ago. But their efforts were clearly inadequate; by the time the Bank of England was tipped off this year, BCCI was billions in the hole.

BCCI's American operations were relatively small. It had two loan offices, seized' in the July 5 global crackdown. And it secretly controlled two banks, which the Federal Reserve recently ordered it to sell. A Washington insider, Clark Clifford, was

recruited by BCCI as chairman of its bank

holding company in the capital, but he claims not to have known of BCCTs stake. Given the notoriety that BCCI gained in Florida, it appears that major American banks steered clear of deep involvement. And as long as BCCI's American banks are sound, which they are said to be, there is no threat to depositors. But the fact that BCCI could operate in the United States without the knowledge of U.S. regulators is frightening. To avoid future lapses, the Fed has asked Congress for authority to rule on all future applications by foreign banks to operate in the United States, even if they seek state charters, as BCCI did through Middle Eastern intermediaries. The Fed's proposal does not cover banks already in America, though, unless they seek permission for new offices.

In light of what has been uncovered on BCCI - and the involvement of a reputable Italian bank's Atlanta branch in loans to Iraq — it is careless to assume that all others are clean. Congress could usefully give the Fed additional authority to look

into all foreign banks' U.S. activities.

Expanded federal authority may keep slippery bankers out in the future, but it won't make much difference to their operations overseas. To prevent another BCCI, and catch others already in business, central banking authorities - the Fed included - must crack down faster when a bank's troubles become obvious.

- THE NEW YORK TIMES.

Post-Apartheid Economy

Transforming white-ruled South Africa into a multiracial democracy is a political imperative. No less pressing is the need for clear thinking about the direction of postapartheid economic policy. For while the new South Africa will be changed at the top politically, much of the old South Africa will still be found on the ground. The flow of wealth and the opportunity for decent housing, education and social services are now well beyond the reach of most black South Africans. Unless their living standards improve, the more equitable society implicitly promised in the principle of one man, one vote will remain a distant dream. That alone could have corrosive social and economic consequences for a future constitutional democracy.

At issue is how the new South African economy will be organized and whether its wealth-creating and distributive forces will promote growth, stability and economic justice. Will a vastly bloated government, already overused as a public employment agency for more than a third of the Afrikaner work force, simply change hands racially, or will it be restructured and made more efficient and responsive? Will the heavy

hand of the government and of the few dominating industrial giants be pried loose from the national economy? What will be the strategy for reversing the most effective remaining economic sanction against South Africa: disinvestment in the economy by South Africans themselves? Can the future leadership, desperate to undo the injustices of apartheid and eager to empower its constituency, resist resorting to the old discredited socialist policies of the Third World and Eastern Europe?

The shape of the political economy of a new South Africa is bound to have more of a bearing on the well-being of all South Africans, as well as on the pace and magnitude of foreign investment and access to foreign markets, than the lifting of sanctions by America and Europe. Those questions are only now beginning to receive the intense public scrutiny that is routinely accorded to the dramatic political issues now undergoing and awaiting negotiation. As the focus of the black majority necessarily turns from securing and sharing power to using power for the benefit of the people, these ssues assume an urgency of their own.

— THE WASHINGTON POST.

Too Royal to Be Taxed

The British are harrumphing about the that a king "naturally" should not be taxed. royal fortune again. The issue has been raised in the House of Commons by a Liberal MP from London, Simon Hughes. "When so many people in my constituency are scraping along and asked to contribute tax on very low incomes," he said recently, "it seems grossly unfair that the person with the highest income escapes."

He meant, of course, the Queen. Unlike America's Leona Helmsley - said to have told a housekeeper that "only the little people pay taxes" — Britain's Elizabeth II owes nothing. Her grandfather, George V, got Parliament to exempt his government stipend. Her tather, George VI, then got exemption for the royal estates, explaining

There is no official public accounting of the Queen's wealth. Estimates run as high as \$11 billion, including the crown jewels in the Tower of London, the fabulous royal art and stamp collections, business properties, thousands of acres of British countryside, a couple of castles and her (tax-free) inheritance.

Buckingham Palace says published estimates are "grossly exaggerated." Be that as it may, opinion polls indicate that more than 70 percent of her subjects think she

should have to pay up.

Like the "little people" he represents, Mr.

Hughes has spoken the unspeakable.

-THE NEW YORK TIMES.

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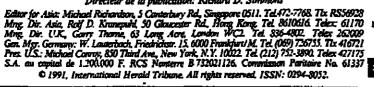
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An Attrition Strategy for Ousting Saddam, Eventually

WASHINGTON — Having failed to top-ple Saddam Hussein with the sharp swift blow of Operation Desert Storm, George Bush has set out to grind the Iraqi dictator down by a combination of covert action, retaliatory air strikes and economic sanctions.

"We do not have a silver bullet," one administration strategist concedes. "But we are going to stay in Saddam's face every way we can until somebody close to him, or the people of Iraq, decide they have had enough." Saddam's survival and his continued capacity for evil four months after losing Ku-

Saddam will probably stop cooperating. At that point, the United States will bomb what is left of the Iragi nuclear system.

wait underscore that America did not achieve irresistible power in world affairs through Desert Storm. The most powerful ruler on earth has decided that he does not have the instruments he needs to bring a militarily defeated foe down speedily, despite urgent reasons to do so.

Many of the limitations Mr. Bush faces in

going after Saddam are self-imposed. But other aspects of the attrition strategy reflect

By Jim Hoagland

limits imposed on an American president by Congress, by his own military and by foreign partners who bargain their support in return for U.S. promises of restraint.

The new element of the Iraq crisis, now in its 11th month, is Mr. Bush's decision to add the arrow of covert action targeted on ousting Saddam to his oniver. The enduring element is that Mr. Bush is still not prepared

to go all out to destroy Saddam.

The president concluded around May 1 that Saddam was more dangerous and more entrenched than he thought possible after the Desert Storm victory. Mr. Bush was shown evidence at a National Security Council meeting then that Saddam was reconstituting his battered army into an offensive force and hiding nuclear weapons material and missiles.

The president authorized the CIA to begin a covert operation aimed at toppling Saddam, foreign and U.S. sources in touch with the intelligence community suggest. But Mr. Bush's authorization excludes U.S.

involvement in any effort to assassinate Sad-dam, an act that Congress has outlawed. The covert program will concentrate on intelli-gence gathering, propaganda and the possible supply of money and weapons to Saddam opponents. The initial phase of the CIA effort appears to have been slow and fumbling. The administration openly threatens to use air strikes to protect Iraq's Kurds and to destroy Saddam's remaining nuclear weapon capability. But these threats also fall short of a

commitment to taking the measures needed to get rid of Saddam now. U.S. officials say that Mr. Bush and his military commanders are not prepared to commit Special Operations or other ground troops to follow up if air raids once again fail to stop Saddam's nuclear program.

The extent of the U.S. intelligence failure has been exposed by the discovery that Iraq ran

two separate atomic weapons operations. One, semi-secret, was hit during the war, the other, completely secret and indigenously developed, was untouched by American military might.

Saddam's secret scientists were working to produce a bomb within a year as the war egan, a high-level defector has disclosed. Mr. Bush rightly points out that they would have had a chance to meet Saddam's goal if the United States had waited and relied on sanctions to get Saddam out of Kuwait, as some of Mr. Bush's critics suggested. The White House expects Saddam to con-

tinue his cat-and-mouse game of divulging only as much as he thinks he must to avoid getting whacked by U.S. air power. As long as he continues to move atomic equipment around and bury it to avoid discovery by United Nations inspectors, he is not able to

work on developing the bomb.

But Saddam will probably stop cooperat-

ing rather than give up the minimum amount of material he needs for one bomb. At that point, having let international inspection accomplish what it can, the United States will bomb what is left of the Iraqi nuclear system. Saddam has been put on notice both private-

ly (through King Hussein of Jordan) and pub-licly that renewed attacks against the Kurds in northern Iraq will also trigger new U.S. air-strikes. As they pull back to Turkey, U.S. commanders are telling the Iraqi military not to fly aircraft (including helicopters) north of the 36th parallel or to send troops back into the security zone that U.S. troops have established over the northern third of Iraqi Kurdistan.

That zone has in effect been demilitarized by American fiat and detached from Iraqi sovereignty. The hardening of the American position against Saddam, clearly communicated to the Kurds by the State Department. has encouraged Kurdish leaders to drag out their bargaining with Saddam. They are unlikely now to meet his terms.

The discovery of the nuclear program and U.S. satellite photographs which disclose that the Iraqis have about 700 hidden Scud rockets show that Saddam does not intend to go quietly. Indeed, he does not intend to go at all. Or to give up his access to the means of war and terror. That is the hard reality that confronts the strategy of trying to topple Saddam with small pushes from different directions.

The Washington Post.

Summit: The Grand Plan, Alas, Is Too Good to Be True

N EW YORK —The summitteers will produce a flop this week on the most important issue before them; helping the Soviet

Union transform itself into a democracy and free economy. Despite the careful staging — the reform package that Mikhail Gorbachev will present to the seven leaders of the industrialized world and the goodies they will give him in return — the London agreements will flop in due course. Here is why.

Mr. Gorbachev's list of market reforms will be significant, but not bold enough. That is because neither he nor Boris Yeltsin and the other democratic leaders have dared to tell the Soviet people how long and hard the road to genuine reform will be a decade of deprivation and pain before they can hope for an economic turnaround. The only mandate they have sought from the Soviet people is for reform without pain, a circumstance that

does not inspire courageous decisions.

Western leaders, with the exception of the Germans, do not add much realism. They speak as if the Soviets could establish democracy and free markets essentially with their own resources and without substantial Western aid. That is the diplomatic equivalent of baby talk. Odds are that Soviet reforms will fail even with Western aid, but they are certain to fail without substantial aid. Western leaders know this.

George Bush and his fellow summitteers will offer Mr. Gorbachev Band-Aids and baloney. The baloney will be a tasty offer of technicians to advise on converting from defense to By Leslie H. Gelb

consumer industries and on bringing more farm produce to the cities. The Band-Aids — such as associate membership in the International Monetary Fund — will help in designing reforms and triggering private investment to ventures like the Soviet oil industry. But these actions are not nearly sufficient to implant Soviet reform efforts; they are merely enough for Western leaders to pretend to be doing something consequential.

Yes, it is politically impossible to do more, But that is the G-7 leaders' own fault. They know the horrendous consequences of

allowing the Soviet Union to crumble, but they have not made the case for a big aid program to their own people. And the case is not easy to make. A single empire from Eastern Europe to the Pacific, whether under the caar or under

the Soviets, has mostly meant trouble. Why not just let the empire go to pieces? It would be nice if the new pieces were democratic, but who cares, as long as they will be smaller and less threatening to others? This reasoning amounts to diplomatic nihilism masquerading

as hardheaded realism. Nothing could be better for East Euro-pean democracies than a democratic Soviet federation able to buy their goods and thereby help sustain their democracies. Nothing could be worse for Eastern Europe and the West than a

cal, poor and nuclear-armed. The West, however, has little chance to prevent a tragic outcome without a carefully designed and substantial aid program. There is such an alternative for Western leaders to grasp and shape. But the idea, known as the Grand Bargain, has been mangled and maligned by people who obviously never bothered to study it.

The Grand Bargain, or perhaps it should be called the Grand Design, does not seek to prop up the existing Communist regime, but to transform the U.S.S.R. into a federation of democratic republics with free markets. It does not call for Western aid in return for Soviet promises, but for aid only after Soviet performance of promises. And it makes absolutely clear that aid will be delivered only when and as the Soviets slash military spending and aid to Cuba and Afghanistan. The idea rests on two practical principles: The best way to

prod political leaders to make unpopular decisions is to let them know in advance, not after the fact, the rewards for faithful performance. And the best way for all to take the first hard steps is by agreeing at the outset to a joint and flexible plan, and not just to play things by ear.

The Grand Design is a set of mutual milestones for the next

six to 10 years. It is a commonsense framework for Soviets and Westerners to work toward a common goal that would otherwise be impossible to achieve. It is, thus and alas, a dream.

'You Can Help Us Most of All if You Help the Soviet Union'

P RAGUE — When I addressed a joint session of the U.S. Congress in February 1990 I made the following remark: "I often hear the question, How can the United States of America help us today? My reply is as paradoxical as the whole of my life has been: You can help us most of all if you help the Soviet Union on its irreversible but immensely complicated road to democracy.

As a rule I do not quote myself, but recently people have asked, often in anticipation of the summit meeting of the Group of Seven and of the meeting with Mikhail Gorbachev there, whether I still stood by what I said then and what I really meant.

To account for my affirmative answer to the former question I have to answer the latter first.

Too many people took for granted that I meant economic help, which I did not — that is not the only help I was talking about. I meant that it was in the interests of my country, of Europe and of the whole world to help make the Soviet Union a more free, more democratic and more stable place, with the emphasis on democracy. The experience of the postwar period has shown us that no amount of economic assistance will make a totalitarian country more prosperous unless it is also made

more democratic. At the beginning of 1990 the Soviet Union was still largely undecided about where it was going, and any economic assistance would most like-ly have gone down the bottomiess drain of bureaucracy, incompetence and corruption. This situation has changed. The democratic forces are trying to organize themselves and to make a radical break with the past. Former Foreign Minister Eduard Shevardnadze and colleagues from

the democratic camp are the foremost representatives of this trend. Progress has also been made in talks about the new union treaty. Although its final shape is still unclear, one thing seems to be certain: The republics and the political and economic reform they advocate will play an ever more important role. The Russian president, Boris Yeltsin, will hardly have to leave the offices of Western governments through the

back door again. And, finally, it seems that Mr. Gorbachev himself is now more committed to reform than ever before.

There should be, however, explicit guarantees that the Soviet Union will not revert to its totalitarian, imperial past and will not threaten other countries in the future. The situation may present an op-

portunity for democracy and peace in the world for decades to come. Needless to say, it also presents a risk should the anti-democratic

forces in the Soviet Union prevail once again and use whatever outside assistance might come to bolster their obsolete regime. An evaluation of the opportunity and the risk shows several things

about the nature of assistance to the Soviet Union that could be forthcoming. It should be assistance to the people and to politicians with a democratic mandate, rather than to the bureaucrats. This assistance should be conditional on the Soviet Union clearly

tion toward its new shape. showing its willingness not to project its force outside its territory and to let slovakia started in earnest on Jan. 1 all its neighbors choose their own way, including those republics of the

The writer is president of Czechoslovakia. strong democratic mandate of free elections. On that date most price controls were lifted and the currency

up the country to market forces.

was made convertible, thus opening

Several weeks later, the first of tens of thousands of small enterprises, ser-

vices and shops started to be auctioned off to the highest bidder. Big industries have been made ready for

privatization as well. Legislation has

been passed to open up the country

to foreign investors and to protect

are encouraging.

After an initial and expected sharp

rise in prices, the month-to-month

inflation rate is now less than 2 per-

even further. The currency is stable

Even before privatization proper

has started, new joint ventures and stock companies have secured new

commercial foreign investments for the country exceeding \$5 billion.

In spite of the government's strict monetary policies, which include tight wage controls, the government

enjoys massive public support. There

has been no large-scale social unrest

or industrial action. The tripartite

talks between the government, the entrepreneurs and the unions have so

far managed to settle amicably all

potential sources of conflict. The ma-

jority of the population is strongly committed to the transformation.

structural and adaptation phase. Some industries will have to close, others will

have to undergo a costly recapitaliza-

tion. The unemployment rate, now around 3 percent of the labor force,

will rise. It will be in this crucial phase

that we shall not be able to do without

assistance from the most developed

One form of assistance would seem

to be particularly helpful. It would be the opening of trade between the

West and Czechoslovakia (and Hun-gary and Poland) to compensate for the collapse of our traditional mar-

kets in the Soviet Union and other

To protect at least in part the still

fragile economy and to balance the so

far one-sided orientation of Czecho-

slovakian trade, the opening would have to be asymmetrical, thus favor-ing Czechoslovakian exports to the

West, including the so-called sensi-

tive items such as textiles, steel and

agricultural products.

Because of the relatively low com-

petitive value of our goods and limited

production capacities, the volume of

the exports could never seriously

threaten the domestic markets or the

balance of trade of Western countries.

grate Czechoslovakia into the family

of European nations. By the end of

the century we hope to become full

members of the European Communi-

ty. The association agreement that is

being negotiated between our coun-

try and the EC should envisage our

full membership and pave the way for

it. It should also reflect the initial

asymmetry in our trade exchange and

thus open the European markets to

approach by the Community, giving us access to their markets now, for we

will be facing the biggest problems in

We would welcome a more flexible

It is part of our strategy to into-

countries of the late Comecon

countries in the world.

The process is now entering its

cent and showing signs of decrease

after the initial devaluation.

Six months later, the first results

their investments.

By Vaclay Havel

tions to determine their own destiny independently - Latvia, Lithuania and Estonia in particular. And this assistance should consist of a thousand points of small aid targeted to specific areas of a newly creat-

present Soviet Union with aspira-

ed market economy, rather than one big bulk form of aid designed to sup-port the original pillars of the crum-bling edifice. The decision in each case should depend on the economic ments of a project rather than on the arbi-trary will of central planners. In this connection we come across another paradox. How can one reconcile the obvious need for stability both

in Europe and in the Soviet Union with the equally obvious longing of a number of peoples there for emancipation from the central power? How can one reconcile the stated principle of territorial integrity of

states with the equally stated principle of self-determination of nations? And when assistance is discussed, should it be applied in support of the former or the latter principle? There is no easy solution to this

except perhaps more democracy. The trend in democratic countries seems to be toward both integration and differentiation, toward both increasing the identity of the regions and diminishing the importance of the frontiers. When this principle is applied to the vast territory of the Soviet Union, it would seem to speak in favor of assisting the most promising areas, the islands of positive deviation which could later spread over the whole area, regardless of its future internal structure.

The question, of course, is what those new areas are and what would be the most adequate form of help to each of them.

The lack of experience with the transformation of ossified totalitarian regimes into functioning market economies with democratic governments, as well as the size of the country and of the population, make the task almost impossible to solve. Yet some precedents are already there -the countries of Central and Eastern Europe that have already embarked irreversibly on the road to pluralist democracy and a market economy.

For 40 years these countries shared the same totalitarian system imposed on them by the Soviet Union. After overthrowing the system in peaceful popular revolutions, they have to cope with the same problems of transformation, privatization and democratization.

Of these countries, Czechoslovakia, Hungary and Poland seem to have made the most progress so far. With moderate economic assistance from the West, these three countries have introduced changes. Most Westem analysts now recognize that these countries have every chance of succeeding in their endeavors.

If and when they do, their success will also be an example, model and measuring rod for other countries of the region, including the Soviet Union and the peoples of Yugoslavia, which is undergoing a painful transi-

The economic reform in Czechoof this year, 12 months after the victory of democratic forces, with a the transformation process in the very near future. The competitive atmosphere of the European market will help increase

the quality of our goods. The agreement will also open the way for a broad political dialogue and close co-operation with the EC countries. Our friends in Hungary and Poland are following the same strategy. We feel we will have a better chance

to attain this goal by cooperation

with the two countries rather than by competition. Because of our long association with the Soviet market and because of the similar character of the trans-

formation process, the changes in the Soviet Union present an opportunity and a problem to our economies. The Soviet Union is interested in buying our goods but does not have the money to pay for it. The resulting drop in trade between the two coun-

tries threatens the fragile balance of our economy and has led to a further increase of the Soviet debt to Czechoslovakia, estimated at \$4 billion. Hungary and Poland are experiencing similar difficulties.

It would help the Soviet Union and it would help us if a part of the possible Western credits to the Soviet Union were set aside to finance Soviet payments for our exports to their country. This is basically the idea that Czechoslovakia's foreign minis-ter, Jiri Dienstbier, introduced at Harvard University last year. Polish and Hungarian foreign policy experts and economists have voiced their own version of the same idea. Some of the leading Western European banks are studying the possibility of similar operations.

The same principle could be ap-plied to the food aid that the Soviet Union may need. It could help solve the problem of our agricultural sur-pluses without disturbing the balance of the already saturated agricultural markets in the West. The countries of Central and East-

ern Europe should never again be limited in their sovereignty, which includes their right to make their own security arrangements. The withdrawal of the Soviet troops from Germany and Poland is of primary importance, and there is no

objective need for it to be delayed or slowed down. A negotiated and peaceful departure of the troops is a prerequisite for a full renewal of the

sovereignty of the two countries. Unfortunately, remnants of the old imperial thinking still linger in the Soviet Union, as evidenced by disagreements over security clauses in talks about new bilateral treaties between the Soviet Union and Czechoslovakia, Hungary and Po-land, and by the so-called Falin doctrine, which bears a sad resemblance of Soviet intervention to prevent a 14 v

retreat from communism. This is all the more anachronistic since Mr. Gorbachev himself takes a more enlightened view of the new treaties, holding that they should be based on the principles of the Paris Charter for the New Europe.

We never accepted the efforts of some Soviet politicians to equate the Warsaw Pact with NATO. For us, NATO constitutes the main pillar of European security, supplemented by other institutions such as the Western European Union and the Conference on Security and Cooperation in Enrope. An American presence on the Continent has been the backbone of the defense of freedom and democracy for 40 years and is, in my view, still needed. It presents no threat to the Soviets but rather a guarantee of peace and stability for the whole of Europe, and the Soviets should accept it as such.

I cannot conclude but with yet another paradox.

In our painful transition toward a state of affairs that most people in the West consider quite natural. Western countries can indeed help us most of all by helping the Soviet Union on its

way to democracy.

At the same time, in the more difficult transformation of the Soviet Union, Western countries can con ceivably help it most by helping Czechoslovakia and other countries in Central Europe - to show that it can be done and that it is well worth the effort. The countries of Central Europe can become a center of stability and a source for the diffusion of mocratic values and benefits to the whole post-Communist region.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Bastille Day Balls PARIS — Arrangements for dancing in the streets for the great Fête Day of

the Republic were on a most extensive scale. The most important orchestras were those of the place de l'Opèra, the Bourse and the Rue du Louvre. Round these and in hundreds of other places dancing began at nine o'clock. Thousands of young men and maidens trod the mazy quadrille or whirled round in the entrancing waltz, to the enlivening strains of stringed and wind instru-ments, till daylight sent them home, to dream of their "next merry meeting" on the Fourteenth of July, 1892.

1916: Shock Over Shark

NEW YORK -- Great excitement has been caused in New York by the appearance of a man-eating shark in New York Bay, less than twenty miles from this city. The shark en-tered the bay off the coast of New Jersey, devotred one swimmer and

wounded another one. Then seizing a boy of twelve, the shark plunged with him under the water. The body of the boy has not been found. Bathers have deserted the nearby localities.

1941: Slips of the Tongue

NEW YORK - [From our New York edition:] Gene McCann, securities dealer, defending himself in the U.S. District Court on a mail-fraud charge, was held in contempt on July 14] for using the word "darn" twice. In the course of a legal discussion, McCann said: "Judge, you know dam well ..." The court interrupted him and warned against the use of such injudicious language. A shorttime later, while being cross-examined McCana said again, "You know darn well ..." He got no further. Judge Mcraill Otis said. "I see there's no reason for admonishing you again, and I therefore hold you in contempt of court. I will deal with you at the conclusion of this trial." McCaon's

apologies were in vain

EUROBONDS

Strong Action Fragile Truce By Tor

ARIS — The United ! odus for modulus over the strates — appear to he to cap the dollar and The Beyfound unity paid of their newfound unity paid of their newfound unity paid of pressures in German was the view of man that was the view of man that was the view of mar Regre joined European cen suply lower on Friday, just suply lower on German inter-table steady. of ales steady.

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Washington feared that the threaten the continued growth of provoking a German rate increas be U.S. economic recovery before As for Japan, a strong dollar while a German rate hike coul beway to prop up the airing?

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BUSINESS/FINANCE

EUROBONDS

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The Washerman Post.

Strong Action on Dollar, Fragile Truce on Rates

By Tom Buerkle

ARIS - The United States, Germany and Japan - at odds for months over Washington's calls for lower interest rates - appear to have reached a quick agreement to try to cap the dollar and interest rates for the time being. Their newfound unity paid off immediately with the dollar's stuming fall on Friday, but any truce on interest rates is likely to prove fragile and could be shattered as early as next month because of pressures in Germany.

That was the view of many economists after the Federal Reserve joined European central banks in selling the dollar sharply lower on Friday, just one day after the Bundesbank decided to hold German inter-

est rates steady. "It does appear that we have a deal here that they are

not going to raise rates to cap the dollar" in return for U.S. agreement to help intervene against the dollar, said Giles Keating, an economist at Credit Suisse First Boston in

Germany is likely to face pressure to raise rates because of inflation.

The appearance of economic policy coordination among the major industrial countries could hardly have been more timely, coming on the eve of the Group of Seven summit meeting in London that begins Monday. But instead of marking any new spirit of cooperation, analysts said the coordinated effort stemmed from a sudden confluence of economic self-interest that

is likely to prove transitory.

The major countries still "have divergent economic performances and divergent economic priorities," said Paul Chertkow, a currency analyst at Citibank in London.

In the United States, short-term interest rates appear to have bottomed now that the economy has started to recover, although long-term rates could fall gradually if inflation keeps declining,

HERE MAY BE SCOPE for lower rates in Japan because the economy there, although relatively buoyant, is slowing, analysts said. In addition, worries over the sharp decline in the scandal-hit Tokyo stock market appear to have led the Bank of Japan to suddenly cut its discount rate two weeks ago, Mr.

Germany, however, is likely to face pressure to raise rates in coming months because of rising domestic inflation, economists said. Indeed, long-term interest rates in the German bond market actually rose Thursday, and could move higher still, because of disappointment that the Bundesbank didn't act decisively.

Still, the Bundesbank had strong reasons to avoid any rate rise now, economists said. An increase last week almost surely would have brought strong criticism from Germany's trading partners, in Europe as well as the United States, at the summit meeting. What's more, the economy of Western Germany may be slowing faster than is widely realized, which would make it more difficult for the government to finance the restructuring of Eastern Germany. Hermann Remsperger, chief economist at BHF Bank in Frankfurt, said he expects German output in the current quarter to lag behind the level of the second quarter, although it will still be ahead of the year-earlier pace.

After years of pursuing a single-minded, anti-inflation policy, Bundesbank officials "have to balance economic growth with price restraint objectives, and pay attention to political considerations as well," Mr. Chertkow said.

If there is a coordination pact among the three major countries, the dollar is clearly the key, economists said.

For the Bundesbank, the dollar's rise above 1.80 Deutsche

marks threatened to worsen the country's home-grown inflation welcome.

Washington feared that the dollar's five-month rally would threaten the continued growth of U.S. exports, as well as possibly provoking a German rate increase. Either factor could snuff out the U.S. economic recovery before it takes hold.

As for Japan, a strong dollar could boost domestic inflation while a German rate hike could restrict the Bank of Japan's leeway to prop up the ailing Tokyo stock market with easier

money.

"Between the big three, there's an emerging tendency to agree on the need to keep the dollar down," said Gavyn Davies, an economist at Goldman, Sachs & Co. in London. "The U.S. is obviously feeling pleased that they've headed off for the time being a German rate increase."

Germany's European partners also must be pleased. The Bundesbank's forebearance enabled Britain to cut interest rates

See BONDS, Page 9

With IBM Linkup, Apple's Strategy Is to Go Mainstream

By Andrew Pollack

New York Times Service CUPERTINO, California When Apple Computer Inc. an-nounced its all but unthinkable this month, some Apple employees covered up the rainbow-colored apple in front of their building with a new logo - also an apple, but one done in the characteristic blue stripes of IBM.

It might have been meant as a protest or merely as a joke. But it was certainly symbolic — Apple is changing its stripes.

The agreement is only one piece, albeit the biggest, of a huge transformation that the personal computer pioneer is undertaking. Long content with being the BMW of the computer industry, supplying fine-ly crafted machines to a relatively small number of fanatic customers. Apple now wants to become a Ford or Toyota, to move into the main-

"The company has decided that it wants to be a major player in the computer industry in the 1990s in-stead of a niche player," said James R. Groff, managing director of Ap-ple's enterprise system division, in one of a series of interviews in which Apple executives laid out the reasons behind the seeming madness of consorting with a company that has long been considered Ap-

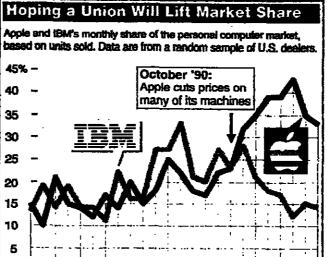
spect, Apple seems to be blasting off in contradictory directions, but the aims are clear: increase market share and survive in an industry partnership with International going through the early stages of Business Machines Corp. earlier what is expected to be a massive

> On the one hand, Apple is trying to broaden its mass appeal with lower-priced computers and even pocket-sized devices that will be something of a cross between a computer and an electronic gadget. Rather than sitting on a desk top, the Apple computer of the future might fit in a pocket, transmit and receive messages by radio waves and respond to spoken commands.

At the same time - and here is where the IBM deal comes in -Apple is trying to turn itself into a maker of more powerful computers that can fit together in networks capable of handling the computing tasks of corporate America. Instead of being a loner, Apple now wants to join the pack in the automated offices of the future.

gain the higher profit margins and higher stock market valuation that come from being perceived as a software company.

Its strength is in the operatingsystem software that makes the Macintosh easy to use. In a joint But Apple will continue to sell venture with IBM, Apple plans to hardware, though it might have



Apple is also determined to ex-ploit its expertise in software and such software.

June '89

Source: InfoCon

Apple also hopes to build its Claris subsidiary, which sells word processors, spreadsheets and other applications programs, into a major vendor of software for other computers as well as Apple's.

more products made for it by other companies. In particular, the tiny portable devices are likely to be made by Japanese companies, with Apple contributing software and

The transformation will be painful. Already, Apple's profits have its computers faster than it lowered

its costs. This week, it is expected to say heartlessly, reacted to shrinking report a drop in earnings for the profit margins that shouldn't have June quarter, the third quarter in its linancial year, even before a \$100 million or so charge for lay-

offs and restructuring.

Nor is Apple assured of success. The agreement with IBM and the plans for consumer electronics are only statements of intention. It still remains to be seen what products will emerge. And some say Apple, which has basically concentrated on only one product line at a time, is shooting off in too many different directions.

The first branch of the new effort requires a corporate culture like that of a Sony, a company able to quickly innovate, to miniaturize, to sell through mass marketers. The other requires a corporate culture like an IBM, with constant handholding of large customers. It is not clear that both those cultures can exist in the same company, especially one that now has neither.

And in trying to become either a Sony or an IBM, let alone both, Apple risks losing its own soul the quirky individuality that has made it innovative and has attracted some of Silicon Valley's bright-

Indeed, the IBM announcement came on the beels of another development that has disillusioned many of Apple's workers — the layoff of 900 people as Apple exec-utives quickly, and some employees

during the weekend that he be-

lieved the U.S. economy will ex-

pand during the second half at a

In an interview on Cable News

Network, Mr. Brady was asked

whether he expected growth in the third and fourth quarters of this

year to be significantly higher than

the weak 2-percent rate some pri-

vate forecasters are predicting. "I

The economy contracted at a 2.8

Mr. Brady also said that Alan

was necessary to slow the economy

Win Dui Icli it

percent rate in the first quarter, the

most recent figures available.

do," he responded.

BORIG. Delieved in

rate of more than 2 percent.

Brady Sees Growth

In U.S. Above 2%

In 2d Half of Year

surprised them.

The transition is a big test for John Sculley, Apple chief executive, whose seven-year tenure has consisted in a sense of milking revenues from Macintosh, a legacy of the Apple co-founder Steven P. Jobs, who left the company in 1985.

With the IBM agreement, the curtain has lifted a bit on what is likely to come after Macintosh: machines that could leave a Sculley stamp on the company. Mr. Scul-ley, who calls himself the company's chief technical officer, is devoting his efforts to advanced product development, leaving dayto-day management to two lieuten-ants — Michael H. Spindler, chief operating officer, and Joseph A. Graziano, chief financial officer.

So far, the ruling triumvirate has gotten mixed reviews. Some see a new sense of pragmatism, a willing-ness to join others rather than rely

"What Sculley and Spindler are trying to do is purge the prima donna attitude at Apple," said Reese Jones, president of Farallon Computing Inc., a maker of computer networking products.

Ed Colligan, general manager of Macintosh products for Radius Inc., a San Jose company that makes video products for comput-

See APPLE, Page 11

Taipei Hits At Japan On Trade

ple's polar opposite.

TAIPEI - Taiwan plans to get tough with investment applications from Japan that generate trade surpluses for Tokyo, the official Cen-tral News Agency reported Sunday. Vice Economics Minister Chiang Pin-kung was quoted by the agency as saying the government would

Taiwan cut its discount rate in a bid to spur the economy. Page 9.

reject applications by Japanese businessmen to open trading companies in Taiwan unless they were export-oriented.

There are about 300 Japanesenvested trading firms in Taiwan Taiwan's trade deficit with Ja-

pan soared to \$7.66 billion in 1990, up from \$6.95 billion a year earlier. The figure is expected to hit \$9 billion this year. Mr. Chiang also said the Eco-nomics Ministry will approve ap-

plications by Japanese contractors to invest in the local construction industry on condition that they agree to transfer technology to their joint-venture partners. Meanwhile, officials said Tai-

wan's trade surplus with Hong Kong in the first six months ex-ceeded that with the United States for the first time.

The surplus with Hong Kong was \$4.7 billion, up from \$3.03 bilbion in the first half of 1990. The surplus with the United States fell to \$3.13 billion from \$4.04 billion.

Universal-Canal Plus Venture Set

By Stephen West Los Angeles Times Service

LOS ANGELES - In the latest step in the globalization of Hollywood, Universal Pictures and Studio Canal Plus, the production unit of the largest European pay-television service, have agreed to coproduce films for worldwide distribution.

Canal Plus, with more than 3 million pay-TV subscribers in France as well as joint-venture television services in Germany, Spain and Belgium, has been a regular buyer of film rights from Universal and other Hollywood studios since it was founded in 1984. But the latest deal will give the French company an equity stake in the co-produc-

"They've always been a customer of ours, but what they're doing here is going into production," said Tom Pollock, Universal studio chief. "There is a process by which we submit projects to each other, and we're partners who share in both the risk and the upside."

Over the long run, the alliance might also provide Universal a partner to ease the way in operating in the post-1992 single European market, which may place significant quotas or trade barriers on U.S. entertainment products. Universal is a

unit of MCA Inc., which in turn is owned by Matsushita Electric Industrial Co. of Japan.

In the co-production deal, each side is free to choose which projects to participate in, and Canal Plus will co-finance only part of Universal's full slate of releases. Universal will retain theatrical distribution rights in the United States and Cana-da, and its UIP joint venture with Paramount Communications and MGM-Pathe will distribute overseas except in France, where Canal Plus will hold theatrical rights.

The first film to be co-produced under the deal, "A Bronx Tale," will be the directorial debut of the Academy Award-winning actor Robert De Niro.
To feed the nearly insatiable programming appetite of its pay-TV operations, Canal Plus has

spent heavily in Hollywood to assure itself a steady supply of new films. As one Wall Street analyst put it. Canal Plus is "a machine that eats movies and throws off cash flow." Among its international alliances, the fast-grow-

ing company has formed a co-production deal with Carolco Pictures, taking a 5 percent equity stake in the U.S. independent, and has entered a partnership with producer Arnon Milchan's Regency Enterprises and Warner Bros.

Time Warner Alters Offering

Compiled by Our Staff From Dispatches NEW YORK — Time Warner share they already own.

Inc., seeking to satisfy regulators

The decision reverses a

and quell a shareholder rebellion, said Sunday it would revise its previously announced rights offering to an underwritten offering that would raise \$2,75 billion.

Time Warner said that under the revised terms it would grant rights to purchase about 34.5 million new shares of common stock at a fixed price of \$80 a share to its existing \$4.12½ on Friday, at \$89.50, on the stockholders. Shareholders will re-New York Stock Exchange. Invesceive the right to buy 0.6 of a share tors and analysts who follow the

at the subscription price for each company attributed the fall to re-The decision reverses an original

plan to ask shareholders to buy \$2 billion to \$3.5 billion in stock at a price to be determined only after they signed up. The price would have been somewhere between \$63 and \$105, depending on whether some or all of the company's investors subscribed.

Time Warner shares closed down

ports of the new offering, which would dilute shareholders' current Time Warner holdings.

The company is seeking to raise cash to pay off some of its nearly \$11 billion in debt, which resulted mostly from Time Inc.'s acquisition of Warner Communications

The new deal would be less lucrative than the previous plan for the investment bankers, who would

huge Pacific network in 1986 but

See TIME, Page 9

Mr. Brady said he thought the recession was over but that the credit crunch, which has slowed bank lending, was still a problem.

On interest rates, the Treasury secretary said he expected some discussion of rates and economic policies that could help reduce them at the meeting of the Group of Seven major industrial nations in London starting Monday.

"You have to create the conditions to bring them down," he said.

semiannual outlook on the U.S. WASHINGTON — Treasury Secretary Nicholas F. Brady said

He is expected to tell lawmakers that the recession is over, although it is too early to determine the recovery's strength.

He also is expected to tell the House of Representatives' Banking Subcommittee on Monetary Policy that inflation is under control as the economy crawls out of the recession, which augurs well for lower long-term interest rates. "He will make a strong point of

the fact that there is no reason to start with the premise that just because the economy is starting to recover, inflation is going to get worse," said Lyle E. Gramley, chief economist at the Mortgage Bankers Greenspan, who was recently re-nominated for a second term as Association of America and a forchairman of the Federal Reserve mer Fed governor.

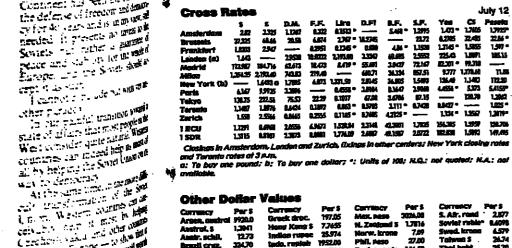
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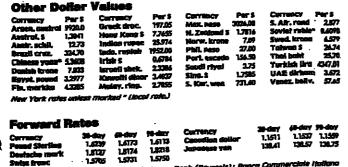
in recent years to reduce inflation. economy in recent statements. "We still do not yet know how rapid the recovery is or the underlying strength of it, but I think it's a pretty safe bet at this stage to conclude that the decline is behind us and the outlook is continuing to improve," Mr. Greenspan said last week after President George Bush announced his renomination as Fed chairman.

The Fed's report, which will be released one day after the White House publishes its midyear review Mr. Greenspan is expected to of the economy on Monday, will give Congress good news Tuesday outline how the central bank plans when he presents the central bank's to manage the recovery.

CURRENCY RATES

Other Dollar Values





Sources; NMB Bank (Amsterdam); industes Bank (Brussels); Banco Corumerciale italiana (AMIson); Bancus Nationale de Paris (Paris); Bank of Tokyo (Takyo); Royal Synk of Conoda (Falland); Bancus Nationale de Paris (Paris); Bank of Tokyo (Takyo); Royal Synk of Conoda (Falland); Nationale (Falland); (Fall

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Hurdles Remain on Delta-Pan Am Deal

Other Carriers May Still Make Competing Bids for Some of Airline's Assets

By Agis Salpukas

New York Times Service NEW YORK --- Although Delta Air Lines now seems poised to end up with the most valuable chunks of Pan American World Airways, other potential buyers could butt in with higher bids for bits and pieces of the ailing carrier.

Likely contenders include Unit-

ed Airlines, which is in talks with Pan Am to buy its Latin American routes; Northwest Airlines and Jay Pritzker, the Chicago financier.

If high bids emerge, for example for the Northeast shuttle or some of the routes promised to Delta, the judge overseting Pan Am's bankruptcy case, Cornelius Blackshear, could consider them if it meant a

higher return to creditors.
"Once this package goes to court," said Dan Kasper, an airline consultant with Harbridge House, "everyone is welcome to make competing bids." Thus Delta faces many uncer-

tainties as it and Pan Am seek court approval to buy Pan And's European routes, the shuttle and 45 air-Approvals from the Department

of Transportation and European governments also are needed for the sale of the international routes. Although there could be pieces that will end up with other carriers, one person involved in the sale of Pan Am's assets said it was highly unlikely that there would be any big changes.

Everybody has already circled

around these assets for weeks and months," said the person, who did not want to be identified. He added that there was a good chance the unsecured creditors

would support the Delta deal because their representatives participated in the negotiations. Ronald W. Allen, chairman of Delta, said the airline planned to

offer members of Pan Am's fre-much smaller carrier with the help quent-flier program, Worldpass, of an investor, according to the

the opportunity to join Delta's fre-person involved in the Pan Am quent-flier program and allow sale. them to transfer miles earned on

Pan Am to Delta's program.

"Those folks can relax," he said.

He said Delta would continue to

Soviet Union, Africa and Asia, was run the shuttle on a full schedule uncharacteristic of the airline's and that Delta might want to make management.

It seems unlikely that there would be any big changes in the purchase agreement with Delta. 'Everybody has already circled around these assets for weeks and months, said one person involved in the sale.

its bourly service between Los Angeles and San Francisco. He did not go into detail.

The key to this really is good airplanes and friendly service," he

some changes, which it has tried on

The 6,000 workers that Delta plans to hire from Pan Am will include every category, from pilots to ground crew workers, he said.
"It's always a challenge to take a
step like this," he added. "You try

to avoid the big mistakes." Mr. Kasper, the consultant and an expert on international aviation, said there should not be much of a problem with the various foreign governments because under its air agreements, the United States has the right to designate what carrier it wants to fly the routes.

He said some governments might want to use the change of carriers from a weak Pan Am to a strong Delta to get some new rights for their own carriers.

While United appears to have the inside track on acquiring the Latin American routes, another possibility is that Pan Am will keep them and continue to operate as a

stumbled for more than a year in taking over the routes. The quick agreement by Delta to United eventually solved its operational problems in the Pacific and the takeover of Pan Am's Lon-

don routes this year has proceeded smoothly.

American Airlines also has been aggressive in building up its inter-national routes, having acquired the London routes of Trans World Airlines and having built up its

owa network in Europe. Kevin Murphy, an airline analyst for Morgan Stanley & Co., said Delta's takeover of Western Airlines in 1986 was well planned and was done within six months, with managers melding the new workers

into Delta's system. They only move when the chips taking over 13 years to build up are in their favor," he said. "They service to 12 cities in Europe and a don't overspend. They certainly haven't on this deal. Delta has United, on the other hand, has plenty of executives to handle this moved quickly. It bought Pan Am's integration."

ADVERTISEMENT AL JAMPON PONTAG. LTL.

Led by Mr. Allen, Delta has been

cautious in expanding overseas,

service to 12 cities in Europe and a

few flights to Asia.

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Compiled by Laurence Desvilettes

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concerns, we would have down

Completion of the treaty at the U.S. condition for a long rate summit meeting between Mr. het and President Mikhail S. (one chev in Moscow this running Mr. Bush wants to set a dayle

the meeting sometime in his his but its insisted that the MI talks be completed before to be Mr. Bush and Mr Gothela both have every sed determined

to complete the trest, and k been aimost 10 years in the make But. Mr. Bush said Sunday 1 are not going to make a deal op in and get something done box

Mequaesi you stell good Mr. Goroscher is esga fa U.S.-Soviet ummu coulons but he has had to halmorhide for a meeting with the denset Ers militare for a firm stand mb START Lakes. Laking part a general megociations at Mr. Bestment side was the Soviet chief at general stall. General Milha : Moiseve:

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Gorbachev To Seek Aid In Reducing Arms Output

By Paul F. Horup

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The debt market had expected

By H. J. Maidenberg

New York Times Service

weaken further may weigh on bond

dence that the economy is still

weak buoyed prices of Treasury

and other fixed-income securities

Until the dollar collapsed, evi-

prices this week, analysts said.

basically unchanged core producer prices, and it did. The overall Producer Price Index for June, includ-

sectors, actually dropped by threetenths of a percent.

two-tenths of a percent.

BONDS: Unity on Capping Dollar (Continued from first finance page)

by a half point on Friday to 11 percent, and most economists expect France to cut short-term rates by a quarter point in

coming weeks. The good feelings may not last long, though, German inflation is expected to rise above 4 percent in July, because of tax hikes, and is likely to be between 4 and 4.5 percent early next year when major unions return to the table for wage talks, Mr. Remsperger said. The Bundesbank can't consider easing policy before then, he said, and may even have to raise rates if the dollar regains strength, he said. Mr. Davies said he would be surprised if rates are not increased in August or September after Helmut Schlesing-

Parameter of the second of the er takes over as president of the central bank. As for the dollar, Mr. Keating said its failure to break above 1.84 DM last week means it is likely to head lower. But Citibank's Mr. Chertkow said that with the U.S. economy gaining steam and Germany slowing down, the dollar has nowhere to go but up. He sees it reaching 1.90 DM in the next three months and 2.10 in the

The state of the s "Intervention led by the Bundesbank is a sign of weakness" in the German economy and currency, he said.

State Is to Take Over Mutual Benefit In Biggest Seizure of a U.S. Insurer

By Albert B. Crenshaw Washington Post Service

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ncoffoble. Fees 0.625%, Der arburg Securities.)

99.69 100.35 Noncollable. Fees 0.325%, (BNP Capital Markets.)

1995 91/4 101.475 100.00 Reoffered at 100.075. Noncollable, Fees 11/1/4. (Credit Susse

1994 10% 99.85 99.95 Noncollable, Fungible with outstanding issue, corong total to C\$250 million. Fees 0.25%. (Goldman Sochs Int'L)

1996 10% 102.05 99.45 Noncollable. Fungible with outstanding issue, raising total to C\$150 million. Fees 1%%. (Hambros Bank.)

10% 99.65 97.95 Noncaliable. Fungible with outstanding issue, rasing total to 750 million brance. Fees 1%%. (Svenska ln*1.)

101.40 99.95 Reoffered at 99.85. Noncollable. Fees 1%%. [Scohal/clead.]

99.95 I 00.05 Noncollable, Fees 0.35%, (UBS---Phillips & Drew Securities.)

Noncollebia. Each \$5,000 note with one warrant exercisable

Noncafable. Each \$10,000 note with two warrants exerce-able into company's shares at 3,578 yen per share and at 139.40 yen per dollar. Fees 254%. (Yamaichi Int'l Europe.)

into company's shares at 1,446 yen per share and at 139.80 yen per dollar. Fees 214%. [Nikto Securities Europe.]

into company's shores at 1,394 yen per share and at 139,80 yen per dallar. Fees 24%. (Nomura Int'l.)

Noncellable. Each \$5,000 note with one warrant exercisable

into company's shares at an expected 24% premium. Fees 24%. Terms to be set July 18. (Namura Int'l.)

Callable at 107½ in 1995. Convertible at Aus\$3.70 per share, a 11.45% premium. Feet 25½. [Margon Stanley Int'l.]

Noncollable. Each \$5,000 note with one warrant exercisable into company's shares of 718 yen per share and at 139,40 yen per dollar. Fees 214%. (Dawa Europe.)

Noncallable, Each \$5,000 note with one warrant exercisable

into company's shares at 913 yen per share and at 139.40 yen per dollar. Fees 25%, [Daiwo Europe.]

oble into company's shares of on expected 2½% premium. Fees 2½% Terms to be set July 15. (Yamaschi kw'i Europe.)

into company's shares at 3,362 yen per share and at 139.80 yen per dollar. Fees 214%. (Namura Int 1.)

Noncollable. Each \$5,000 note with one woment exercisable into company's shares at 1,405 yen per share and at 139.65 yen per dallar. Fees 2K%, (Nomura Int'l.)

into company's shares at an expected 29% premium. Fees 24% Terms to be set July 15. (Daiwa Europe.)

Nancalable, Each \$5,000 note with one warrant exercisable

ofter April 1992 into company's shares at 27.250 wan per share, a 5.60% premium, and at 731.41 wan per dollar. Fees 214%. (Baring Brothers.)

able into company's shares at an expected 24% pramium. Fees 24%. Terms to be set July 16. (Nilda Bank Deutschland.)

able into company's shares at an expected 21/1% premium. Fees 21/1%, Terms to be set July 16. (Nomura Bank Deutsch-

Semicantually, Callable in 1996. Fungible with outstanding issue, raising total to £178 million. Each £5,000 band with one

women't exercisable into company's shores. Band prized of 99%, or £2,962.50, and women't at 17.65, or £882.50. Fees

Noncallable, Each \$5,000 note with one warrant exercise

98.75 Noncellable. Each \$10,000 note with two warrants exercisable into company's shores at an expected 2½% premium. Fees 2½%. Terms to be set July 17. (Yamaichi Int'i Europe.)

99.50 Noncollable. Each \$5,000 note with one warrant exercisable

98,63 Noncatable. Each 5,000-mark note with five warrants exercis-

98.38 Noncollable. Each 5,000-mark note with five warrants exercis-

99.75 Noncellable. Each 5,000-mark note with five war ranks exercisable into company's shares at an expected 24% premium. Fees 24%. Terms to be set July 18. (Nikko Bank Deutschland.)

102.00 Noncollable. Each \$5,000 note with one warrant exercisable

107.00 Nancallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium, Fees 25%. Terms to be set July 15. (Darwa Europe.)

\$300 1995 41/4 100 99.00 Noncollable. Each \$10,000 note with two warrants exercis-

into company's shares of an expected 25% pre 25%, Terms to be set July 15. (Nikko Securities E

Noncollable. Each \$5,000 note with one warrant exer

Noncollable. Each \$5,000 note with one warrant exe

99.85 Noncoltable. Fees 0.25%. (Crédit Commercial de France.)

Realisted at par. Callable at par in 1993. Fees 2%, ors \$10,000. (Sunstamp Finance Int 1.)

WASHINGTON - After a rush cash, New Jersey insurance officials said Saturday they expect to take over Mutual Benefit Life In-surance Co., the 18th-largest U.S.

insurer, as early as Monday. With more than \$13.5 billion sets and 400,000 policyholders, Newark-based Mutual Benefit would be the largest insurer in U.S. history to be taken over by regulators, underscoring the recession's impact on investments that are the economic underpinnings of most

life-insurance companies. Mutual Benefit's problems highlight two of the most important problems facing the insurance in-

dustry today: real-estate values and policyholder runs. About 45,000 of Mutual Benefit's policyholders live in New Jersey, one of the few states that does not have a fund to protect custom-

ers of failed insurance companies. The company writes health and accident policies as well as life insurance and annuities. Mutual Benefit is considerably

larger than Executive Life Insurance Co. of California, which was the biggest U.S. insurance failure ever when it collapsed in April.

But whereas Executive Life had company rating agency, downgrad-invested heavily in high-risk, high-ed Mutual Benefit last week but But whereas Executive Life had

two month-long strike, police said.

Seoul, the spokesman said.

down, a Samyang spokesman said.

one another's stock to cement a

business relationship. The new rules say that the stock holding is fine — but that it cannot be used to

with a competitor of the stockhold-

rules will make is a matter of con-

siderable debate. Traditionally

Japanese business is not regulated

by laws but by informal "guid-

ance," arising from talks with government ministries and other en-

forcement officials. Moreover,

many business practices in Japan

place with little or no prior discus-

sion. It is generally understood

here, for example, that price wars

cut everyone's profits. As a result,

there are relatively few companies

willing to break ranks and sell con-

Japanese newspapers and con-

sumer advocates have embraced

the new regulations. "It is time for the FTC, which has been criticized

- not only at home but even

abroad — as a watchdog that never bites, to take action," the Asahi

Shimbun said in an editorial on

Friday, referring to the Fair Trade

Commission. In a statement issued

measures" against any violations of

a violation" of Japan's Anti-Mo-

the new rules.

business partner.

sumer goods at a deep discount.

including price-setting — take

Just how much difference these

Police Storm Steel Factory

SEOUL - About 1,000 riot police led by a fire truck stormed a

steel factory in the city of Ansan outside Seoul early Sunday to end a

A police spokesman said 24 workers were arrested when the police

moved in to end the strike and workers' occupation of the Samyang

Metal Co., one of South Korea's leading steelmakers. The spokes-

man said strikers resisted strongly, hurling gasoline bombs and rocks

at police. One striker was injured when he fell from the roof of a

Earlier Sunday, riot police arrested 11 unionists who had staged a

sitdown protest in the house of the company president in southern

The arrested workers were among 180 unionists of the Ansan factory who had been on strike and had crippled operations since

May 13, when negotiations with management for higher wages broke

The company spokesman said six union activists were still staging

JAPAN: A Call for Competition

block a firm from doing business put foreign firms at a disadvantage.

factory building while trying to flee from police, he said.

a protest on top of a water-supply tower in the factory.

To End Strike in Korea

yield junk bonds, Mutual Benefit's still viewed its claims-paying abiliproblems stem from losses on its \$5 billion in real-estate investments. by policybolders to withdraw their Declining values of commercial property coupled with mortgage loan defaults have left the company with only about \$500 million to

cover claims, officials said. Mutual Benefit had been hoping going to take this company over the edge," said Stephen J. Carlotti, thief operating officer, in an inter-view last week. "This is a situation to ride out its problems, but reports

Real-estate losses and a run by policyholders are seen forcing a state

takeover.

in New Jersey newspapers last week about its problems sent panicky policyholders flocking to the company to try to get their money.

A New Jersey insurance official called Mutual Benefit "a textbook example" of a run on a basically sound company, something that "could bring a Prudential or a Met (Metropolitan Life) to its knees," even though they are two of the

A. M. Best Co., an insurance-

country's strongest insurers.

said at a news conference on Saturday.

The readjustment was the first since Aug. 22, 1989, when the central bank raised its discount rate to 7.75 percent from 5.5 percent. The rate is charged on 5.29 percent in 1990.

In Face-Off With U.S.

BEUING — China has warned the United States that the Chinese

market would be closed to U.S. goods if Washington cancels Beij-

Beijing Ups the Ante

"China has made its best efforts but is also prepared to take the worst to come," a commentary in the People's Daily newspaper said

"What's the worst to come? It can't be worse than going back to the situation before the two countries established diplomatic relations (in 1979) or even worse, going back to that before 1972." In 1972, President Richard Nixon became the first U.S. chief

executive to visit China The U.S. House of Representatives approved a resolution on Wednesday overturning President George Bush's extension of China's most-favored-nation status for a year. The vote was regarded as

symbolic because the Senate was not expected to reject MFN status. The House also approved legislation attaching conditions to MFN renewal that would require improvement in China's human-rights practices and assurances on nuclear and missiles exports and other ssues. Similar legislation is pending in the Senate.

Mr. Bush has asked for unconditional extension of MFN status.

Taipei Cuts Rate to Spur Investment

(Officials at Mutual Benefit have

been actively looking for a wealthy

partner who would infuse fresh

capital into the company. The New

"The real estate problem is not

But even if Mutual Benefit can

be stabilized and rehabilitated, a

decision to seek state protection

could deepen consumer worries.

security of insurance policies, of pensions and of annuities," said

Senator Howard M. Meizenbaum.]

There is a fear out there about the

York Times reported.

that can be managed."

TAIPEI - Taiwan will cut its discount rate by 0.375 percentage point to 7.375 percent, effective Monday, in a bid to spur the island's economy and boost domestic investment, according to the central bank governor, Samuel Shieh.

"We want the cut not only to be a signal, but also as effective and useful to the market rates," Mr. Shieh

commercial bank borrowings from the central bank's

discount window. The move followed escalating calls by members of parliament and businessmen for moves to spur dwindling investment and boost the current business ex-

pansion, economists said. Private domestic investment fell about 6 percent in the first half of 1991, compared with a drop of 8.88 percent for the whole of 1990, he said.

Taiwan's gross national product, buoyed by rising exports and industrial production, is expected to rise by 7 percent this year, up from an eight-year low of

Manila Less Optimistic on Inflation

MANILA - The Philippines is adjusting its end-of- Estanislao said. 1991 inflation rate projection upward to 11 percent from 9.5 percent, Central Bank Governor Jose Cuisia said Sunday.

The upward revision resulted from an anticipated cut in oil prices charged to domestic consumers, which would put an additional burden on the national government and in turn put pressure on interest and inflation rates, Mr. Cuisia said.

The inflation rate averaged 19 percent last month and is expected to average between 14 percent and 17 percent this year.

Finance Secretary Jesus Estanislao said the government could "at most" afford an average reduction of 50 centavos (less than two U.S. cents) per liter, far short of demands for a five peso (18 U.S. cents) price

tional cost of 6 billion pesos for the government, Mr.

Any rollback to pre-Gulf war price levels would result in foreign exchange losses of \$900 million, higher unemployment, pressure on the exchange rate and a reduction of foreign-assisted projects that need local funding, Mr. Estanislao warned.

The central bank had been hesitant to lower interest rates before nowbecause of fears of stimulating another stock-price bubble, economists said.

Share prices rose on the Taiwan Stock Exchange on Saturday in response to news of the cut. The market's eighted price index rose 85.13 points, or 1.6 percent.

Meanwhile, Taiwan's foreign-exchange reserves dropped to \$72.15 billion at the end of June from \$73.8 billion in May, but they remain the highest in the world, central bank officials said Sunday. The officials attributed the drop to the depreciation of the Deutsche mark and the yen.

Even the lower amount will translate into an addi-

Disneyland Seeks Aid to Expand

Las Angeles Times Service
WASHINGTON --- In need of

cash to belp finance part of their massive Anaheim, California expansion plans, Disneyland officials are asking U.S. taxpayers to pay hundreds of millions of dollars to help them out.

ket share of greater than 10 percent persuaded five key California or a position as one of the top three Democrats to urge the U.S. House of Representatives to allocate \$395 For example, the rules prohibit million in federal highway funds firms from using their "dominant for transportation improvements position" to force clients to shun competitive goods, no matter how

needed for the expansion. Although a precise breakdown of the spending plan was unavailable, the money would be used on special exits from Interstate 5 leading directly to a new parking complex, new carpool lanes on I-5 and the parking complex itself.

They also prevent big retailers The freeway exits alone are estifrom using their "dominant barmated at \$80 million. gaining position" to return unsold goods to suppliers under some cir-

cumstances. Because most unsold goods are returned in Japan, there Euromarts are rarely sales to clear out old In addition, retailers are barred

from forcing suppliers to make frequent deliveries in small lots at no extra cost, a practice of many food and convenience stores. Some of the strictest new rules

cess, and Japanese negotiators have

resisted any efforts to break up those relationships. American offi-

cials maintain that they are essen-

tially exclusive relationships that

Most of the new rules deal with

the abuse of power by "influential"

firms, defined as those with a mai

suppliers or dealers in a market.

low the price or how high the quali-

ty. They say manufacturers must

not prevent their dealers from han-

dling competing lines, or cut off

dealers that offer discounts on their

last week, the commission said it cover "parallel imports," the imwas committed to "take vigorous portation of goods that are already available in Japan, Many makers of luxury goods have been trying to Perhaps the most controversial send their goods here, if they can ement of the new guidelines per- find a distributor. Often, the Japamits the trade commission to order nese companies maintain that the a company to sell its stock holdings imported goods are fakes. Or they in another firm "where it is consid-contend that the equipment could ered necessary to do so to eliminate not be repaired in Japan.

Under the rules, no Japanese nopoly Act. The ruling brought an company can corner the parallel immediate protest from Keidan imports goods, or allege that they ran, the organization of Japan's are fake in order to dissuade dealbiggest businesses, which said that ers from carrying them.

it hoped the commission would "use caution" before ordering any tem to allow companies to seek a humaness warmer. usiness partner.

In fact, any such effort would pending decisions. The consultamost likely touch off a political tion" results will be published, the storm here. The Japanese consider commission said, adding that it the keiretsu relationships one of the would also establish a "complaint keys to the country's economic suc- section" for foreign firms.

At a Giance

Eurobond Yields July 10 9,17 8,64 8,06 US. E. 8 yrs & over U.S. 5, 5 to 7 yrs
U.S. 5, 5 to 7 yrs
U.S. 5, less than 5 yrs
Pounds sterling, less than 5 yrs
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Donish kraon, less thon 5 yrs 11,36 1,59 11,90 16,15 12,24 1,29 Donath Errord, test too ECU, 8 yrs & over ECU, 5 to 7 yrs Cas. S. less thon 5 yrs Aus. S. less thon 5 yrs K.Z. S. less thon 5 yrs Van 8 to 7 yrs

Weekly Sales July 1

5 Mon5 5 Mon5 4919:70 12:750:29 10;74:90 17;14:70 19:50 475:90 548:90 20:90 2:75:90 94:80 3,754:90 2;122:20 5:85:50 34:98:80 3,764:80 3,764:90 13;40:20 17;447:20 18;152:50 22;548:80 Libor Rates July 12 6-monto 61/2 9 5/16 1-ments 4 1/16 3-month 63/16 93/16 Deutsche mark \$15/16 Pound sterlins 11% French ironc 79/14 ECU 5% Yen 7½ 11 1/16 9 9/16 9 15/16 7%

U.S. Treasury Bonds

| July 12 | Wil-opp | Sid | Ask Yield | Yield | 100 a/2 | 100 b/2 | 6.86 | 7.03 | 97 7/2 | 97 a/3 | 7.31 | 7.43 | 77 a/2 | 97 a/2 | 7.91 | 8.00 | 100 a/2 | 100 a/2 | 8.14 | 8.22 | 8.33 | 108 a/2 | 108 a/2 | 8.40 | 8.47 | 96 a/3 | 96 b/3 | 8.44 | 8.49 |

U.S. Consumer Rates July 12

Tax Exempt Bonds Sond Bayer 29-Sond Index 7.17 % Money Morket Funds 544 Book Money Market Accounts 12% Herné Morteges, FHILB gyerose 1.44 % Source : New York Times Service, UPI. tion to be named Westcot.

The transportation plans are

Disney Development Co. has the transportation improvements would have "a broad benefit of Euro Disneyland under conwhole I-5 Corridor."

the preject.

part of Disney's proposal to ex- five House Democrats, all of whom pand its Anaheim theme park by have received Disney contribuadding new hotels and an attrac- tions, the plan has raised concern among some who object to the pub-Alan Epstein, a Disney vice pres- lic being asked to pay for a project ident, said the company felt justi-fied in seeking public aid because the transportation improvements that would primarily benefit a sin-gle private enterprise. Disney, which owns 49 percent

Despite strong support from the

throughout the recreation area of struction near Paris, found the Anaheim, throughout north Or- French government willing to help ange County and throughout the with similar transportation improvements. In addition to provid-Disney officials had asked the ing a low-interest \$960 million loan California Department of Trans- for the project, France is extending portation to pay for some of the a Paris RER regional transit line to improvements, such as the off the site and will build a link beramps, but were turned down, ac- tween Euro Disneyland and the cording to a source familiar with new north-Atlantic high-speed TGV rail line.

WALL STREET REVIEW

Figures as of close of trading Friday, July 12.

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BusinessWeek

This week's topics:

o Alan Greenspan: Four More Years O Time Warner's Angry Shareholders O The Rich Friends of Carlos Salinas

O Hong Kong Gets An Airport O Apple and IBM Say Teamwork?

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Noncallable. Convertible into shares of Costo Cracere at 2,000 tre each, a 5,20% premiure. Fees 21/5%, (Banca Euromobiliare.) **Dollar Weakness Could Curb Bonds**

that the government would report rally in bonds set off by the eco-NEW YORK -- The big drop in the dollar on Friday eroded gains in U.S. Treasury securities, and a belief that the currency could

U.S. CREDIT MARKETS

ing the volatile food and energy

The market also was pleasantly surprised by a drop in retail sales of

But dealers said that the early

ties fear inflation and anything that could stimulate it, such as an improving economy, because this usually leads to higher interest rates on newer debt offerings, making yields and values of existing issues less

nomic data were soon lessened by other considerations. Not only did

the dollar fall sharply, and thus

make dollar-denominated invest-

ments less attractive, but prices of

oil products and other basic com-

modities had a sudden and sharp

Investors in fixed-income securi-

"The bond market was so sure the core June Producer Price Index would be flat, which it was, that it ignored bad news signaled by the big drop in the latest week's initial claims for anemployment insurance reported the day before," said Steven R. Ricchiuto, chief financial economist at Barclays de Zoete Wedd Securities Inc.

As for rumors that the Federal Reserve was about to ease interest rates further, Mr. Ricchiuto said they originated in the foreign exchange market and were dismissed out of hand by participants in the Treasury securities market. But the sharp drop in the dol-

lar's value against the mark and

other key currencies was very real

and it weighed on the bond mar-

ket," he added.

their own money. Shareholders had complained about the projected \$150 million to an investment banker. Merrill investment bankers would have recrived under the earlier plan. Under the new arrangement, they will receive a base payment of

TIME: New Money-Raising Plan

about \$55 million plus other, more buy any unsold stock. "The irony is that the bankers are now taking more risk and get-ting paid a whole lot less," said a structure in one of the largest

The uncertain pricing of the origties and Exchange Commission. Time Warner's shares, which

(Continued from first finance page) In the new plan, Salomon Broth also be required to back it with ers Inc. would put up as much as \$1 billion of its own capital and play the most prominent role, according Lynch and Goldman, Sachs would also lead the offering, Goldman

banker who was familiar with the equity offerings ever attempted," transaction but not involved in it. Providence Capital, an investment inal offering raised objections from firm. "It is an embarrassment to shareholders and the U.S. Securi- the company and to the investment banking team."

Providence represents the Cali-Warner's stock. (NYT, Reuters)

had decided not to take part in the initial deal. Some critics of the initial offerlimited fees, and they will have to ing said Time Warner's reversal is a major setback for the company. The company made a major

were trading in the \$117 range in formia Public Employees Retire-May, have fallen sharply since the ment System, an institutional inannouncement of the original plan vestor that owns I percent of Time ij

Page 10			ter games and transfer of the second of the		3700
Page 10 NASDAQ NATIONAL MARKET	Sales in Net Sales in	ALD TRIBUNE, MONDAY, JULY 1	15, 1991 Soles in Net Soles in	1 East 4-1-1 2134 4 16	VERID STOC
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document." he said. Mr. Baker said. "There was god a faith negotiations on both side hard negotiations, but negotiation faith.

Of the remaining usue he say genuine and senous substitute concerns, we would have closely

Completion of the treaty by Completion of the treaty of the U.S. condition for a long-analy summer meeting between Mr. Between Mr. Between Mr. Between Mr. Marchan in Moscow this summer. thes in Moscow this summer

Mr. Bush wants to set a date b the meeting sometime in late h the meeting sometime in the his but has invised that the Mil-talks be completed before he at

Mr. Bush and Mr. Gorbale Mr. Dust and Mr. donate both have expressed determined to complete the treat, which peen ajmost ju vest in he make But, Mr. Bush said Sunday T

are not going to make a deale by Wednesday Vor are the Some Mr. Gorhachev is caser la:

L. S. -Soviet summit contains The has had to palance be to or a meeting with the density als written, for a firm stand n & START talks. Taking pan and regotiztions 21 Mr. Bessen ice was the Soviet chad d'e general statil General Millian Moneyer.

(AP. Reules AR.

Gorbachev To Seek Aid In Reducing Arms Output

By Paul F. Hornz The House Trial purtum nich seid Sinde iger Museumber 1 000 id de ABC-TV that same.

WASHINGTON - Proje Mining & Gothine and · esterm destem in Londer das lan inte radicales im Se the first more toward denom-ತ್ರೆ ಕ್ಷಮ್ಮನಿಗಳ ಬರುಗಳು ಮಾಡು enust Natem assissage Long South Little profess ನೆ ಈ ಮುಖ ಚಿತ್ರಾಣೆಗಳಲ್ಲಿ amen Pari, Central Green

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CBS all-share index closed last week unchanged from the previous

Friday on 197.0, and volume re-"On balance we have a comme Total turnover reached 4.9 biltion guilders of which 2.4 billion was equities. The previous week it totaled 6.4 billion guilders with 2.1 billion equities.

*rankfurt

Amsterdam

The Amsterdam Stock Exchange

In more quiet trading, the DAX indicator ended last week at 1,644.76 points to show a gain on the week of 25.85 points, or 1.59 percent. The Commerzbank index rose 18.7 points, or 0.97 percent, to

1,944.2 points. The stabilization of the economic situation in Eastern Germany and the first signs of recovery in the drops, the market performed

OTC Consolidated trading for week

(Continued)

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Figures as of close of tradino

Friday, July 12.

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Figures as of close of trading

Friday, July 12.

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AMERICAN EXCHANGE OPTIONS

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anded Friday, July 12.

United States countered some of the pessimism by offering the hope of better profits for German com-

WORLD STOCKS IN REVIEW

NASDAQ NATIONAL MARKET

The volume of trading on the eight German markets totaled 26.81 billion Deutsche marks, compared with 25.4 billion DM in four days trading the previous week.

Shares sensitive to changes in interest rates continued to be weak, as investors wait to see if the central Bundesbank would increase rates. Car shares were down, par-ticularly BMW which lost 20 DM on the week, ending at 485.5 DM.

Hong Kong

The Hang Seng Index closed last week at a record high of 3,915.17, up from 3,892 in seven days of

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After two days of consecutive

strongly on Friday with the index gaining 13.25 points before the noon close. Buying sentiment continued through the afternoon session to push the index to its highest

since the collapse of October 1987. Dealers said, however, that institutional buyers remained cautious after the consolidation, waiting to see whether Washington would extend most-favored-nation trading status to China, which met obstacles in the House of Representa-

London

For the first time in three weeks shares rose above the 2,500-point level only to be sold off again as the much anticipated 0.5 percent cut in

British interest rates materialized. The FT-SE 100 index closed up on the week at 2,497.4 points, hav-

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index gained 14.2 points to close at 1.975

Banking stocks were slightly easier as they may have to pay £200 million to compensate clients of the collepsed BCCI bank,

Milan

The Milan market's MIB index ended last week slightly down at 1,103 points from 1,109 the previ-

Daily trading value fell more heavily from 127 billion lire the previous week to 80 billion lire last week. On Monday and Friday it was only 75 billion lire. The number of shares traded varied between 25 million and 32 million shares.

The Paris Bourse rose 1.8 percent ing gained 14.2 points. The FT-30 last week, with the CAC top 40-

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Option & price Calls

share index closing at 1,754.29 points against 1,723.14 seven days

But while the index moved away from the psychologically important 1,700 level cheered dealers, trading was still quiet with daily volume of between 1.2 billion francs and 1.6 billion francs.

Singapore

Singapore share prices edged down last week as investors stayed on the sidelines in the absence of positive leads.

The Straits Times industrial index, the key market barometer, closed the week off 7.90 points or 0.53 percent at 1,468.75.

Tokyo

Tokyo shares last week defied the Big Four stock scandal, posting

The key market barometer closed the week at 23,137.78 Friday for a 239.44 point, or 1.04 percent, weekly advance. It was the first gain in four weeks.

The composite Tokyo Stock Price Index of all stocks listed on the market's first section also chalked up a 22.30-point gain to end the week at 1,805.53.

Zurich

Technical reasons rather than renewed confidence caused the one percent rise on the Zurich stock

Japan Reports Say 229 Firms Paid Off

TOKYO - Japan's top four securities firms paid 124,6 billion yen

Nomura Securities Co., the world's largest brokerage, paid 25.6 billion yen to 49 companies and Nikko Securities Co. gave 33.3 billion yen to 59 firms, the Asahi Shimbun newspaper and Kyodo

companies and Yamaichi Securities Co. paid 43.9 billion yen (314 million dollars) to 66 companies.

The Big Four firms have declined to give the names and the number of corporate clients whose losses they compensated in the major stock market scandal that has rocked Japan in recent weeks. The former Nomura president, Yoshihisa Tabuchi, told major Japanese newspapers Friday he was ready to disclose details of the scandal if he were summoned before parliament.

"I will disclose what I know if I am called," Mr. Tabuchi, who resigned last month in the wake of the scandal, was quoted as saying.

There have been calls from opposition parties and individual investors that Mr. Tabuchi testify before parliament and reveal the

a sizable gain with the Nikkei Stock Average recovering to the 23,000-

The Swiss Performance Index closed at 1,115.9 against 1,103 at the end of the previous week. The SBS index gained 7.5 percent and closed at 628.8.

(\$900 million) to 229 companies to cover their losses in stock transactions, local news reports said.

News Service reported Saturday, quoting financial sources.

Daiwa Securities Co. paid 21.8 billion ven (\$156 million) to 55

BUSINESS BRIEFS

Soaring German Deficit Forecast

HAMBURG (Reuters) -- The German federal deficit is likely to soar to 136.8 billion Deutsche marks (\$75 billion) next year — far above Bonn's official prediction of 49.4 billion DM, the news magazine Der Spiegel said. No comment was available from the Finance Ministry.

Der Spiegel, made available ahead of Monday publication, said a government interim report showed Bonn's 1992 deficit would total 54.8 billion DM, instead of 49.4 billion. It would jump to 136.8 billion DM when other items not included in the budget, such as deficits of the privatization agency Treuhand and unity fund, were added, it said.

Albania Considers Economic Zones

TIRANA (Reuters) - The change-minded coalition government of

Albania is considering setting up free economic zones to stimulate foreign investment, Prime Minister Ylli Bufi said.

Mr. Bufi, who met officials in the western town of Kavaja on Saturday, said their town would be included in one of these zones, according to a local television report. Free zones would allow foreign companies to operate in Albania with a favorable 12x, customs and legal framework.

Peugeot Chief Threatens to Resign

PARIS (Reuters) - The chairman of Peugeot SA, Jacques Calvet, said in an interview with Japanese television station NHK he will resign if the French government does not move to toughen the European Community's stance in automotive negotiations with Japan, Liberation, a Paris

Mr. Calvet has been among the most vocal French industrialists opposing greater access for Japanese manufacturers to the French market after 1992. The Peugeot chief has previously said he wants Japanese car imports frozen at their current levels, now slightly more than 11 percent of the EC market, until 2,003.

Belgian Growth Seen Rising to 2.8%

BRUSSELS (Reuters) — Growth in Belgium's gross domestic product is expected to accelerate to 2.8 percent in 1992 after slowing to 1.9 percent this year, the government Planning Bureau said in an economic study. The forecast, reported by Belgian media on Saturday, is more optimistic than the Organization for Economic Cooperation and Development's prediction last month of 2.3 percent growth for the country next year. Gross domestic product grew 3.7 percent last year, according to the Planning Bureau, and 3.5 percent according to the OECD.

Commonwealth Float Finds Buyers

SYDNEY (Reuters) — The 1.29 billion Australian dollar public float of the government-owned Commonwealth Bank has received strong support from institutions and stockbrokers who have committed to underwrite the issue, the sponsoring broker said.

"The institutions have committed themselves to up to 55 percent of the issue, the brokers have committed themselves to up to 25 percent of the issue, so on that basis alone the issue was a great success," said Terry Campbell, managing director of J.B. Were and Son.

The government is selling 239,3 million new shares to the public at 5.40 dollars each or about 30 percent of the bank's capital.

Global Capital Rules Sought for Brokers

By Diana B. Henriques

New York Times Service NEW YORK — How strong should a bro-kerage firm have to be to do business in the global marketplace? That question, which has been a point of friction at least since the 1987 market collapse, will dominate the agenda Monday when the executive committee of the International Organization of Securities Com-

missions convenes in Paris. The executive panel, officially called the Technical Committee, is headed by Richard Breeden, chairman of the U.S. Securities and Exchange Commission.

Last week, in an interview, Mr. Breeden said he was hopeful that the talks would move regulators closer to an agreement on some minimum capital-strength standards for the securi-

"We have been negotiating for four years, and I am optimistic we will make significant agree on a global capital standard later this

The International Organization of Securities Commissions, headquartered in Montreal and made up of 80 regulatory agencies around the world, is the leading forum in which regulators are working to harmonize the diverse rules that govern the international equities markets.

The issue of capital standards is a particularly important one, regulators say, because the collapse of a major brokerage firm in one sector of the global market could quickly send devastating shock waves out to other markets.

"Everyone is concerned that our markets could be affected by problems that spill over from other markets," Mr. Breeden said. But so far, regulators have not been able to overcome some deep and stubborn differences on the

issue, not only among market regulators but also between the securities regulators and bank-

If we make progress, we may be in a position to the United States, regulators require securities firms to have \$1 of assets for each \$1 of liabilities, plus a 2 percent "cushion" as a margin of safety for customers.

But \$1 million worth of Treasury bills clearly is not the equivalent of \$1 million worth of General Motors stock or \$1 million worth of Wall Street real estate. The Treasury bills can be sold easily with

virtually no loss in value, because the government securities market is so large and liquid. The GM shares can be sold easily, but probably with some depressing effect on the stock price. And real estate is so illiquid as to be essentially useless in an emergency.

U.S. regulators adjust the value of a firm's assets to reflect these realities. Thus, when a firm calculates its net worth for capital-strength purposes, it is allowed full credit for its Treasury bills, 85 percent credit for major stocks

and zero credit for real estate. Practices elsewhere in the world — where selves won't be identical." he added, "but we are going to try to agree on common principles.

At the heart of the debate is the question of markets are considerably more volatile and, how to value a brokerage firm's net worth. In hence, riskier — vary considerably.

APPLE: IBM Deal Is Only Part of Company's Ambitious Transformation

company." to be thrashing about, hurching offered greater speed through use from shakeup to shakeup and from of a technology called reduced in-

strategy to strategy.
They are still really zigging and zagging," said Esther Dyson, publisher of Release 1.0, a computer

industry newsletter.
Mr. Sculley has also attracted most of the heat for the recent layoffs, in part because he himself made \$16 million from salary and

the IBM negotiations, was on vacacould not have reasonably predicted the quick drop in profit margins,

which were partly necessitated by the recession.
As for zig-zagging, he said, "I

think this was clearly true. I don't think that's true anymore." Formulation of the new plan be-gan about 18 months ago when management came to the realization that the proposition that was driving the company was no longer valid," Mr. Graziano said. That proposition had been to sell nonstandard personal computers that

commanded premium prices be-

cause they were easy to use, despite

But Apple's ability to charge

computers known as work stations, But others say Apple still seems from Sun Microsystems and others, standards. struction set computing, or RISC.

desktops could be hooked together in networks to take on tasks once

handled by larger computers.

(Continued from first finance page) high prices began to crode as other ers, added: "I think Apple has turned into a much more aggressive Macintosh screen display. Desktop move to RISC and to conform to Apple is expected to address

The first part of the strategy was unfolded last October, when Apple introduced three lower-priced ma-

advanced Motorola 68030 micro-And corporate computer buyers chines, led by the \$1,000 Macintosh were beginning to demand that Classic. Unit sales jumped 85 pervendors adhere to standards so that cent in the March quarter, com-pared to a year earlier. But profits dropped because of the lower gross

margins on each machine and be-

exercising stock options last year. Mr. Sculley, recuperating from the IRM nepotiations was on vacainterviews. But Mr. Graziano, the chief financial officer, said Apple could not have reasonably predict-

CUPERTINO, California — Apple's new strategies bear the imprint of two men who now share leadership of the company with John Sculley, the chief executive. They are Michael H. Spindler, chief operating officer,

chief executive. They are Michael H. Spindler, chief operating officer, and Joseph A. Graziano, chief imancial officer.

Mr. Spindler was named to his current post in January 1990, after having built up Apple's European operations. He runs day-to-day operations while Mr. Sculley spends time in Japan and in Apple's laboratories searching for breakthroughs to sustain Apple after the Macintosh.

A native of West Germany who joined Apple in 1980 after stints at Intel Corp. and Digital Equipment Corp., Mr. Spindler, 48, is a roll-up-the-sleeves manager who has worked fast to reorganize Apple and bring in new managers. He has left the limelight to Mr. Sculley.

Mr. Spindler is expected to be the next chief executive, though Mr.

Mr. Spindler is expected to be the next chief executive, though Mr.

Sculley, 52, is believed to want to stay a few more years.

Mr. Graziano, 47, left Apple in 1985 and eventually became chief financial officer at Sun Microsystems. But in 1989, the new regime recruited him back to Apple with a multimillion-dollar compensation package.

move to RISC and to conform to Apple is expected to address some of those problems with a burst of new products. A sophisticated printer for desktop publishing is expected in August. In the fall, there will be a Classic using the

> processor instead of the simpler 68000 chip now used. There will also be two machines using Motorola's most advanced, 68040, chip, one of which can be used as a server, a data repository shared by several smaller machines. And there will be three notebook computers - a hot area in which

> Apple has so far missed out — including one made for it by Sony. But many analysts think these machines will be among the last of the traditional Macintoshes built on Motorola 68000 series microprocessors. After that, Apple will move to RISC chips and eventually toward new operating systems that Apple and IBM together will try to

> make into a standard. Keeping its innovative edge while also blending in better with others is a tall order. But at stake is Apple's future as an independent company in a consolidating industry. It is in no danger today, but if it doesn't succeed in its transition. Apple could find by the end of the decade that its rainbow-colored logo really will be changed into

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MONDAY SPORTS

British Grand Prix Breeze for Mansell

Compiled by Our Staff From Dispatches SILVERSTONE, England -Nigel Mansell followed last weekend's victory in France with another on Sunday, when he stormed to an emotion-charged triumph in the British Grand Prix.

The Briton led for all but the opening 45 seconds of the race. No other car could match the speed of his Williams Renault, which repeatedly set lap records.

Mansell started from pole position but did not have a perfect start and took the lead only halfway through the first lap from Ayrton Senna of Brazil in a McLaren Honda. But once he was in front. he stayed there and steered his car clear of the field to win the 59-lap race in one hour, 27 minutes and

35,479 seconds. The victory increased Mansell's career total to 18 and reopened the battle for the world drivers' championship. Senna remains atop the standings with 51 points. Mansell is

now second with 33 points. Senna, after running second behind Mansell for virtually the entire race, appeared to run out of

fuel on the final lap and ground to a halt short of the finish. That allowed his McLaren teammate, Gerhard Berger of Austria, to place second, 42.293 seconds behind Mansell, with Alain Prost of France third in a Ferrari, back almost 18 seconds.

Senna, who was classified fourth anyway, was followed by Nelson Piquet of Brazil in a Benetton Ford and Bertrand Gachot in a Jordan.

Mansell's teammate, Riccardo Patrese of Italy, who is third in the overall standings with 22 points, retired after the first lap, during which he collided with Berger.

Thousands of fans, waving Union Jacks and chanting Mansell's name in celebration, flooded onto the track after the race to cheer. He has won the British Grand Prix three times in the last six years.

"I can't think of a more perfect weekend — the way everybody responded, the crowd," Mansell said. It is a very special victory. The fans are just unbelievable."

Mansell's lead was so large by midrace that he was able to make a



Nigel Mansell, waving as he gave an unusual lift to Ayrton Senna.

pit stop to change tires and rejoin the race in first place. He also over-

got a ride back to the pits from Mansell. Senna sat on the side of came late gearbox problems. "I was very panicky over the last 10 laps," he said. "I don't know the Williams as Mansell completed whether anyone knew it, but I was in major gearbox difficulty the last

his victory lap. "I wanted to show what sportsmen we English are," Mansell said. "He owes me a lift later in the few laps. I'm just glad I was able to (Reuters, AP)

By Joseph Durso
New York Times Service But even before the question is posed, a shadow was LEXINGTON, Kentucky - The last Secretarian was a filly born on May 30 last year, which makes her

Bulls or Bears at Keeneland?

the youngest of the 614 foals sired by the master

Secretariat, the champion race horse of his time. That's right, 614 foals. They include 17 stakes winners and three champions, and they have won more than \$20 million.

Secretariat was actually more of a virtuoso as a race horse than he was as a sire, but you can't have everything. He was 19 years old when he died on Oct. 4, 1989, and that was the end of the line for his line: The following spring, his 16th and last crop of foals was born, his final 46 children arriving to carry on the

memory, and maybe the tradition. They are yearlings now, and they are exactly the type of young horses that will become the focus of the breeding and racing world in the next few days when Lexington again becomes the capital of the auction world and the barometer of the horse business.

Investors from the Arab nations, Japan, England, Ireland and Kentucky, too, are flocking to the Keeneland race course for the summer yearling sales, people with dreams and bankrolls seeking the best pedigrees and prospects - shopping for the next Secretariat.

This year, the racing world also will be searching for something else: clues to the state of the breeding business. It reached peaks of inflated values in the 1980s, when everything from horse farms to horse prices skyrocketed. But the skyrocketing ended about five years ago, and then the horse market followed the real-estate market and the stock market straight down. And now everybody wants to know, as they do in al the other markets, whether this is turnaround time in

Germany, 6-3, 6-4. Semificals

Sengi Bruguera (1), Spoin, def, Garan Ivanisevic (4), Yugaslaviz, 6-1, 7-5; Emilio Sanchez (5), Spoin, def, Karel Novacek (7), Czechoslo-

Final
Emilio Sanchez (5), Spain, def. Sergi Bruguera (1), Spain, 6-1 6-4 6-4.

GUNZE TOURNAMENT

Jim Courier, U.S., def. Pate Somoron, U.S., Calif., 6-4, 6-3; Michael Chang, U.S., Calif., def. Patrick McEnroe, U.S., 6-4, 6-4.

Jim Courier, United States, def. Alichael Chana, United States, 6-4, 2-6, 6-4. Wessen's Semilinets Gabrielo Sabatini, Argentine, def. Magdolena Alaleeva, Bulsaria, 6-4, 6-4; Katerino Mo-leeva, Bulsaria, def. Jane Novelna, Czecho-

Floot

swedish open Ai Bastad

Magnus Gustafsson (2). Sweden, det, Christian Bergstrom, Sweden, 44, 6-2, 6-2; Alberto Mancini (8), Argentina, def. Alexander Vol-

Top finishers in Sunday's nieth stage, a 161-Litometer (190-mile) race from Alencon to

es: 1. Mauro Ribeiro, Brazil. 3hr 40mi

kov (3), Soviet Union, 0-6, 6-3, 6-2,

CYCLING

Tour de France

slavakie, 6-1, 3-6, 6-2.

cast over the summer sales. Calumet Farm, the symbol of the past success and the present decline in the horse business, filed a pention Thursday in bankruptcy court for relief from the creditors swarming across the meadows with bills for maybe \$70 million in loans and nine suits for \$27 million of the tab.

So, is this horse market going to be a boil market or a bear market?

John Gaines, the longtime master of the Gainesway scientific farm and the father of the Breeders' Cup series, puts it this way: "The sales are the Dow Jones industrial average of the sport, and everyone is watching the signs.'

The horse industry worldwide is experiencing very difficult times, in England, France, Australia, the United States. So, the sales are particularly significant this year, but also particularly unpredictable.

"A few years ago," Gaines said, "sellers figured every yearing was a million-dollar horse. That day is past. But I think horses will be sold, and not taken

One thing is sure: No yearling will be sold at Keeneland on Monday and Tuesday for \$13.1 million. the record price paid at the July sales in 1985 for a colt named Seattle Dancer, who went on to have an undistinguished career.

For that kind of money, buyers this year can get a herd of horses. In 1985, gross sales were \$138 million;

last July, they were \$82 million. Hard times or not, it will look like an anction of Old Masters, with the auctioneer and his deputies in evening dress and the horse investors making bids with a silent nod or a toss of the hand. And everybody will

suppose that he has just bought the next Secretariat.

Colombia Beats Brazil in Copa

The Associated Press VINA DEL MAR, Chile — Colombia virtually assured itself of advancing to the final round of the Copa America, shocking Brazil, 2-0, on a pair of goals set up by midfielder."

Carlos Valderrama. The victory gave Colombia five points from three games in Group B, putting it two points ahead of Ecuador, Uruguay and Brazil with one game left.

The top two teams in each group advance to the roundrobin final in the biennial South American soccer championship. Uruguay meets Colombia and Brazil plays Ecuador on Monday in Group B final games. In Group A, Argentina faced Peru and Chile faced Paraguay on Sunday.

• Midfielder Paul Gascoigne was arrested after a dispute involving a man who allegedly assaulted his sister while they were out walking, police said Sunday in Newcastie-Upon-Tyne, England. Gascoigne was released on bail, the police spokesman said.

SCOREBOARD

BASEBALL **Major League Standings**

.605 .512 NATIONAL LEAGUE Pct. .622 .590 .524 .671 .440

.578 .530 .512 .445 .429 .417

Friday's Line Scores

AMERICAN LEAGUE 898 278 866—3 819 161 21π—6 mte (7), S. Davis (7), omery (8) and Maclariane; Tanana. Gibson), Henneman (9) and Tettlelan. W---Gibson HRs-Detroit, Fielder 2 (23), Incovigila (7). 828 800 880-2 5 8 861 888 43x-6 12 0

Ja. Guzman, Rogers (7), Gassage (7), Jeff-coof (8), Rosenihal (8) and Roariguez; Wells, Ward (8) and Borders. W—Wells, 10-4. L—Ja. Guzman,4-4. Sv—Ward (15). HR—Texas, Bue-

Milanesota 200 611 18x—5 11 6
Clemens, Fossos (7), Groy (7) and Pena;
Anderson, P. Abbott (6), Bedroston (8), Agui-lera (9) and Ortiz, Honser (7), W—P. Abbott, 3L.—Clemens, 11-6, Sv—Aguillera (23), HRs—
Baston, Pena (3), Rivera (5), Milmesola,
Hrbalt (8) Hrbek (9). 000 000 000—8 6 8 012 010 30x—7 12 0

eathle 012 018 303-7 12 0
Nichois, Jones (6), Hillegas (8) and Alamar;
ohnson, Schooler (8), Jackson (9), Murphy (9)
nd Valle, W-Johnson, 7-6, L-Nichols, 0-8,
Rs-Seathle, Marlinez (6), O'Brien (8),
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McDonold, Otson (9) and Holles; Welch,
Venns (4), Burne (7), Blain (2), Claims

ung (4), Burns (7), Klink (7), Chitren (8), Isan (9) and Steinback, W—McDonaid, 4-3.

L—Young, 2-2. Sv—Otson (18). HRs—Bottl-more, Hollos (5), C. Ripken (19). New York 108 999 608 3—2 4 1 Catitornals 600 818 688 6—1 5 8

(16 izerings) Kamlenlecki, Codorei (7), Hobyan (8), Kamieniecki, Codorei (?), Hobyen (8), Howe (9), Far (18) and Geren, Nokes (10); Langston, Horvey (10) and Horvey, W-Howe, 3-0, L-Horvey, 7-2, Sv.-Farr (13), Chicago 600 404-6 7 9 Milwaukee 20 600 461-6 10 2 Fernandez, M. Perez (2), Thispen (9) and reutwaukee 226 666 661—6 16 2
Fernandez, M., Perez (2), Thippen (9) and
Fisk, Karkovice (9); Narvarra, Plesac (8),
Crim (9) and Surhoff, W—M. Perez, 5-4. L—
Plesac, 6-3, Sv—Thippen (19), HRs—Chicogo,
Pasqua (9), Milwaukee, Vaughn (16), Spiers
(4).

NATIONAL LEAGUE 809 801 901—2 103 818 08x—5 Portugal, Corsi (6), Henry (8) and 84

Costillo, Assenmacher (?) and Wilkins. W— Costillo. 2-0. L—Portugal. 8-5. Sv—Assen-002 640 180-7 12 Phitsburgh 002 849 165—7 12 1 Clackword 06 101 605—2 7 6 Drobek, Pafterson (9), B. Londrum (9) and LaValliere; Armstrone, Corman (6), Brown (9) and Oliver, W—Drobek, 9-8, L—Arm-strone, 6-8, HRs—Pittsburgh, Bonds (13). Cin-

strong, 4-8. HRS-Pittsburgh, Bonds (13). Circhmoth. Lorkin (15), O'Nelli (16).

St. Leuis 800 200 000—2 7 0 Affanta 802 102 91x—6 10 8 8 Smith, Carpenter (7) and Pognazzi. Smottz, Stantan (7), Berenguer (9) and Olson. W-Smottz, 3-11. L—B. Smith. 7-6. HRS-Adlanta, Gonf (16). Lo. Smith 2 (5).

Les Angeles 100 800 804—5 7 2 Affantant 90 801 801—4 7 1

108 989 904—5 7 2 902 963 901—6 7 3 Morgan, Gatt (3), Hartley (5), Cook (7), Ke. Gross (9) and Carter; De.Martinez, Fossero (8). Burks (9). Ruskin (9) and Hassey. W— Ruskin, 3-2, L—Ke. Gross, 4-6. HR—Montreal, Bullock (1).

000 017 180-3 3 1 127 800 11x-6 9 1 Pelerson, Rodriguez (4), M. Maddux (6), Costello (7) and Santiago; Viola, Pena (8) and Carone. W.—Violo, 11-5. L.—Paterson, 3-2, Sv— Pena (4). HR3.—Son Diego, Santiago (11). D. Jackson (9). New York, Jefferles (7), Johnson (20).

Philipdelphia 808 910 90x—1 3 1 Black, Downs (6), Righetti (8) and Decker; Greene, Rikthie (6), Mi.Witlams (9) and Daulton, W—Greene, 6-3, L—Black, 6-8, Sv—Mi, Williams (15), HR—Philodelphia, Daulton (5).

Saturday's Line Scores

AMERICAN LEAGUE AMERICATE LEAGUE

Konsas City 901 200 011—3 18 0

Detrett 240 902 902—8 19 2

Soberhapen, Crawford (5), Magnante (6),
and Mayne; Terrell, Henneman (9) and Tetleton, W—Terrell, 5-P. L—Soberhosen, 6-4, HRs—Konsos City, Tortobull (21). Defroit,

Tenes 088 110 806-2 7 6
Teresto 198 089 02:-3 6 1
Ryon, Rogers (7), Je. Russell (3) and Rodriguez; Stottlemyre, Timilin (8), Henke (9) and
Myers, W—Timilin, 8-4 L—Ja, Russell, 3-2.
Sv—Henke (18), HR—Toronta, Gruber (7). 000 011 000—2 6 0 000 000 000—0 0 1

PEANUTS

mon (9) and Hollers; Show, Chitren (8), Klink (8), Eckersley (9) and Quirk, Steinbach (8). W—MHockt, 5-8, L.—Show, 6-1, 5v—Olson (19). HR.—Boltimore, Devereoux (11). Bostor 900 901 900—1 5 0 Minnesobs 110 910 900—3 10 0 Mortan, Lamp (6) and Pena; Marris, Aguilera (9) and Oritz, Vf—Morris, 12-6, L.—Mortan, 1-1, Sv—Aguilera (24). Chicago 150 900 900 180—2 7 9 Milweustee 100 304 000—8 12 0 Hibbord, Poli (6), Rodinsky (6), Patterson

(8) and Fisk; August, Lee (8) and Dempsey, W—August, 7-4, L—Hibbard, 6-8, HR—Mil-woukes, Dempsey (3). W—August, 7-4, L—Filotoro, 6-8, Fix—Mil-woukee, Demosey (3). Cieveland 968 609 204—6 12 8 Secritie 929 918 508—3 4 8 Swindelland Alomor: Hansan, Schooler (6), AA Jockson (9), Murshy (9) and Valle, W—

Swindeli. 67. L.—M. Jackson. 44. HR—Seattle, Buhner (13). 679 018 996—2 4 1 689 999 900—0 4 0 New York

Johnson, Farr (9) and Nokes; J.Abbott

J. Johnson, Farr (9) and Nokes; J.Abbott

Parrish, W.—J. Johnson, 2-3, L.—J. Abbott,

riouston 200 000 000—3 10 1
Chicago 162 000 162—4 9 0
Harnisch, Capel (7) and Bisglo; Loncuster
and Berryhill, Wilkins (9), W—Loncaster, 5-3
L—Couple, 1-2
Pittsburget-200 016 181—5 7 1 910 019 000—2 7 1 Smiley, B. Leadrum (5), Kloper (9) and Slaught; Browning, Dibble (9) and Oliver, Sutto (9), W—Smiley, 10-6. L—Browning, 10-6.

Surtice (9). W—Smiley, 10-6. L—Browning, 10-6. S—Kipper (2). HRs.—Piitsburgh, Bonlika (8). Circlanott, Oliver (4). Sm. Diego (91 000 806—) 6 8 New York (8) 000 805—3 9 8 Rosmussen, Lefferts (8) and Santicop; Cone, Franca (9) and Cerone. W—Cone, 9-5. L—Rasmussen, 3-6. Sw—Franca (20) L-Rosmussen, 3-5, 5%—Fronco (29).
St. Leuts 960 211 969— 5 9 2
Attente 923 632 96x—19 10 1
Hill, Froser (5), Agusto (6), Le. Smith (8)
and Poymozzi: Leibrandi, Freeman (6).
Mercker (9) and Olgon, W—Leibrandi, 8-7. L—
Hill, 8-6, HR3---Altania, Pendieton (9), Gont

(17), Oison (4). Son Francisco Philadelphia 180 162 612-7 13 8 618 139 808-5 11 1 Son Francisco 100 102 012—015
Philladelphia 91 139 800—5 1
Burkett, Beck (6), Oliveron (8), Righe
and Manwarker; DeJesus, Mouser (4)
ever (6), Ritchie (9), Carreno (9) and Da
W—Oliverus, 4-2. —Ritchie, 0-1. Sv—Rit
(12). HR—Philodelphia, Hallins (1).

Japanese Baseball CENTRAL LEAGUE 575 540 530 444

hin 5

TENNIS L T Pci. GB 27 2 .625 — 28 0 .611 1 37 1 .667 99; 34 0 .693 99; 40 1 .452 129; 48 9 .324 219; At Gaastd Gwarterfleois Karel Novacek (7), Czechosk

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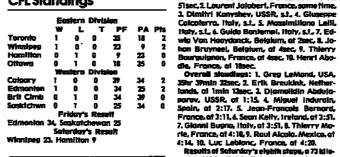
abia 2. Brazil 0

AUTO RACING British Grand Prix

Results of Sunday's 59-lap Fermala One race on the 5.24-kilometer (3.20-mile) 58-verstone circuit; 1. Nigel Mansell, Britain, Williams, 99 loop completed, 211.191 kph average speed (131.22 mph); 2. Gerhard Berser, Austria. McLaren, 99; 3. Alpin Prost, France, Ferrari, 99; 4. Ayrton Senne, Brazil, Benetton, 59; 5. Nelson Playet, Brazil, Benetton, 59; 6. Bertrand Gachat, France, Jordan, 52; 7. Stefan, 58; 6. Bertrand Gachat, 58; 6. Bertrand

no Modena, Italy, Tyrrell, 58; 8. Saforu Nako-lima, Jopan, Tyrrell, 58; 9. Pierluigi Martini, Italy, Minardi, 58; 10. Emanuele Pirre, Italy,

FOOTBALL **CFL Standings**



PUGDE INTERNATIONAL TESTS Argentina 6. New Zealand 36 France 41. United States 9 Oveensland 20, England 14

WELL

leau d'Ax, 1:31, é. Meichor Mauri, Seoin. OniCE, 1:33,7. Diamolidine Abdoulapoliov, Soviet Union. Correra. 1:37, 8. Pedro Delsada. Soain. Bonesta, 2:36, 9. Pascai Lonce, Franca. Toshibo, 2:16, 10. Philippe Louviot, France SWISS OPEN

TRANSACTIONS

BASEBALL AL—Reduced the suspension of Alt Belle, Cleveland Indians autifietier, from week to six games. CHICAGO—Claimed Mike Huff, autifiek

on waivers. CLEVELAND—Put Mike Huff, outfleider on waivers. Recoiled Carlos Martinez, infield er, from Canton-Akron, Eastern League. KANSAS CITY-ACTIV gen, pitcher, from 15-day dis nated Andy McGaffigan, pit

ment.

MINNESOTA—Signed David McCarty, Annuagement
First baseman.
Rational League
NL—Suspended Ron Gont, Allanta Braves
outfielder, for one game and fined himundisclosed amount for burnoing umptre in a game

July 4.
ATLANTA—Ploced Miles Heath, catcher, on 15-day disabled Hist. Recalled Francisco Cabrera, catcher-first baseman, from Richmond. International League.
LOS ANGELES—Put Miles Sciencia, catcher, on 15-day disabled list. Recalled Dave Han-

man, from Albuque MONTREAL—Activated Larry Walker, tothleder, from 15-day disabled list, Sent Doug Platt, pitcher, to Indianapolis, Ameri-

con Association. PHILADELPHIA—Signed Jim Fregosi. monager, to one-year contract extension through 1992.

SAN DIEGO—Put Ed Whitson, officher, on 15-day disobled list, Recoiled John Castella, officher, from Las Vesas of the PCL.

SAN FRANCISCO—Put Willie McGee, outfielder, a Scient lister disobled list.

fielder, on 15-day disabled list. Recalled Dor-ren Lewis, outfielder, from Phoenix of the. BASKETBALL
National Besitetball Association
CHICAGO—Signed John Pacson, yeard, to
three-year contract with option year.
FOOTBALL

esi Footbell Leason CHICAGO—Signed Letture Sinson, cor-nerbock; Darren Lewis, runging bock; Sin-cey Long, offensive guard, and John Cook, defensive tackle. Agreed to terms with Ren Tom Thayer, guard, on three-year contrac

MIAMI—Signed Chris Green, cornert and Michael Titley, fight end. NEW ENGLAND—Signed Harry Colon.

NEW ENGLAND—Signed Horry Colon-sofety. Poul Alabury, punier, Timothy Ed-words, defensive tackle. NEW ORLEANS—Signed Frank, Warren, defensive end, fone-year cantract, Agreed to terms with Croig Heyward, running bock, on

SIDELINES

Wales Is Crushed, 71-8, in Rugby

SYDNEY (AP) — Winger David Campese scored five tries Sunday as New South Wales crushed Wales, 71-8, in a rugby union match. The defeat was the worst ever suffered by the Welsh national team. New South Wales scored 13 tries in its 10th straight victory of the year. Queensland overcame a 13-10 halftime deficit Sunday to score a 20-14*

victory over England, the Five Nations champion, in Brisbane, Australia. Rockets Ask Soviet Guards to Camp 16

HOUSTON (AP) - The starting guards from the 1990 Soviet national. team are being invited to the summer camp of the Houston Rockets,

Steve Patterson, general manager of the NBA team, announced. Sergei Bazarevich, 25, and Gundars Vetra, 24, helped the Soviet team win the bronze medal at the 1990 Goodwill Games and the silver at last year's World Championships in Argentina. A Rocket spokesman said the team had contacted the Soviet basketball federation for help with entry visas. • The Philadelphia 76ers signed Charles Shackleford, who spent last season with Phonola Caserta in the Italian league, to a two-year contract with an option for a third, reportedly worth \$1 million per season.

Possessive Dancer Wins Irish Oaks

DUBLIN (Reuters) - Possessive Dancer completed an unusual classic double when she captured the Irish Oaks after winning the Italian Oaks. The unbeaten filly, an 8-1 shot ridden by the American Steve Cauthen, got past Jet Ski Lady in the last furlong. Jet Ski Lady, the effortless winner of the Epsom Oaks, had been strongly favored to win the race on Saturday. (1)

AL 'Not Counting On' Injured Umpire

DALLAS (AP) - Steve Palermo's chances of ever returning to work as an umpire are uncertain, according to the president of the umpires union. "We are not counting on him this year, and at this point we're not sure about next year or in the future," Paul Runge told the Dallas Morning

Palermo, an American League umpire, has been unable to fully move his legs after being shot in the back on July 7 when he and two other men came to the aid of two waitresses who were being robbed.

· Cuban pitcher Rene Arocha, who defected during a stopover in Miami last week, reportedly can throw a fastball 92 miles per hour (148 kilometers an hour) and has already been contacted by several major.

For the Record

American Larry Nelson, who tied for third in last month's U.S. Openwithdrew Saturday from the British Open without explanation. (AFP)
Gianfranco Rosi of Italy overcame a third-round knockdown to retain his IBF junior middleweight title with a unanimous decision over American challenger Glenn Wolfe in Avezzano, Italy, on Saturday.

(AP)

Spanish first division soccer teams can add a fourth foreign player in European cup matches under regulations approved Friday by the Spanish Soccer Federation. Only three foreigners at a time may play in Spanish league matches, but all four are eligible in European competitions. (AP)

The Derby soccer striker Dean Saunders broke the Britisher affects and surface of the Spanish in control of the Spanish spanish in control of the Spanish spanish in the Spanish spanish in the Spanish spanish spanish in the Spanish s

record Sunday when he signed with Liverpool for £2.9 million (\$4.75



<u>jumbre</u> WOGAL LEMOTE 5UCCESS HASN'T 60NE TO HIS HEAD YET---SNIULF August Just Company

If you fluid the subject of openedics of beauty school. They's surely give you this.— A "NAKE-UP" EXAM

For investment information

read THE MONEY REPORT every Saturday in the IHT

Lambins BLINOM KNEEL WAGPIE CAMPUS



BEETLE BAILEY

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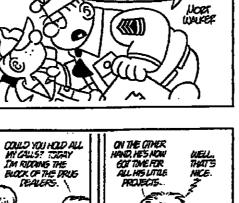
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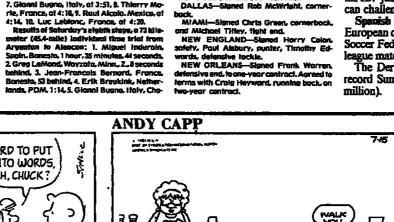
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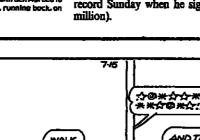


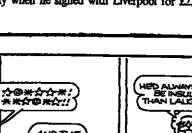














WIZARD of ID









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a Spaniard with the Banion His teammate. Jeanous Bernard : Frenchissan, third and then began the long and was Breuk night abo had found was Bretter in ... He is mais in the everence. jo other challengers fared e trama Bugne, an Italian Maiorade, was fritin and Pedro bala a Spaniard with Banesto. s with Far began losers in-Aleda Laurent Fignon and de Chiappucci

You can't refuse the relieve jer-Lehoud saud when asked if meld defend it at all coosts over. termin But my goal to the wine Torde france. For that you en me midliscally and not cyon spriende hour tacties." (Penters, NY7)

11/4

a Brazilian first. ^{for Maree, th}

By Christine Bre OS ANGELES — In less than 54 w Washington Post Seri African delegation will be eligi Spiney Marce and Andrew You Twi cry said Maree, the black to depived of years of internation and U.S. citizen in 1984 to come

ica 'li will really be a dream com non just to see them there. It's sor and as prayed and hoped — wo the was the athlete caught in the pc ded against in his own nation il because the rest of the w nea Young, who was the Unit sident limmy Carter and is r found the organizing the 1996 lought to free athletes such as Spring Young was appointe Committee's Commission on O made up largely of black African baye of Senegal. That panel votes and the return of South Afric transport of progress in banishing ap



Boyd Leads

Expos to

3-2 Defeat

Of Dodgers

Compiled by Our Staff From Dispatches

Oil Can Boyd gave up two runs in 61/2 innings on Sunday and Marquis Grissom doubled home two

runs as the Montreal Expos defeat-ed the Los Angeles Dodgers, 3-2, in the first game of a doubleheader in

Montreal.
All three Montreal runs off Ra-mon Martinez, 12-4, were uncarned

as the Expos won for the fifth time

in six games, and beat Los Angeles

Brett Butler of Los Angeles went

0-for-2 with two walks, snapping his 23-game hitting streak.

NATIONAL LEAGUE

Padres 2, Mets 1: In New York,

Greg Harris stopped the Mets on one hit over 8½ innings—a leadoff double by Mackey Sasser in the

counte by Mackey Sasser in the eighth — and snapped the Mets' 10-game winning streak. Harris was bidding for the first no-hitter in the Padres' 23-year history.

Harris, 2-1, was a reliever in all 73 appearances for the Padres last

ason and spent more than two

months this year on the disabled

list with elbow tendinitis. The only

by catcher Benito Santiago's

Braves 2, Cardinals 1: Tom Gla-

vine pitched a six-hitter to win his

13th game as the Braves defeated

St. Louis in Atlanta to complete a

Glavine, 13-4, walked none and

struck out eight as he recorded his

seventh complete game and be-came the first 13-game winner in

the major leagues.

Cubs 4, Astros 3: Mike Bielecki
won a team-high 10th game as Chi-

cago, playing at home, defeated Houston. George Bell's double

capped a three-run third off Darryl

Kile, 3-3, giving the left fielder sev-

en RBIs in the four-game series, the

last three of which were won by

■ In games Saturday, United

Cubs 4. Astros 3: George Bell

went three for four and drove in

three runs, including the tie-break-er in the seventh in Chicago, to lift

the Cubs to victory over Houston.

to support John Smiley's seven strong innings and give Pittsburgh

Mark Carreon drove in the goahead run with an eighth-inn

single and Dave Cone struck out 13 as the Mets defeated San Diego.

Gant and Terry Pendieton each

belted three-run homers and Greg

Olson added a two-run shot to

power Atlanta, playing at home, to

a victory over St. Louis. Giants 7, Phillies 5: Kevin Mitch-

ell and Will Clark hit consecutive

doubles in the ninth to lead San

Braves 10, Cardinals 5: Ron

J. Pagres I: In New York

Pirates 5, Reds 2: In Cincinnati, Bobby Bonilla hit a two-run homer

Press International reported:

(AP, UPI)

throwing error in the fourth.

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the victory.

for the fifth time in a row at Olym-

pic Stadium.

MONDAY SPORTS

pers reported Sunday that officials on U.S. targets during the visit of tarkey on Saturday, and will Ribeiro nbul. el of preparedness of the tenora ign head of state." Interior Minster scend, referring to the police taid ed terrorists in Islanbul. He did bu Alid he say who or what make Wins Stage As LeMond peared during the raids. The police Dev Sol, a Marxist urban guerilla charged Sunday that the killings had **Holds First**

Compiled by Our Staff From Dispatche RENNES, France - Mauro Ribeiro on Sunday became the first Brazilian to win a stage of the Tour de France, but the result left three-time champion Greg LeMond with the yellow jersey he had recaptured the day before.

Ribeiro, the only Brazilian in the race, launched a daring sprint several hundred meters from the finish of the ninth stage, over 161 kilometers (100 miles) from Alençon. He was in a 10-rider breaksway that gained almost a minute on the main group, which included LeMond. There was no change in the over-

all leadership in an uneventful stage, as LeMond held a 73-second overall lead over Erik Breukink of the Netherlands. However, Saturday's 73-kilometer individual time trial was anything but routine.
In that stage, LeMond stormed aback into the lead and opened

some breathing room. In so doing, he answered affirmatively a quesattracted Annea venue rosas as ughan refuger camp in the comparison of all large has cellmate. Asked so at large has been so at large has been so asked to a large has been so asked tion he had posed before the race. LeMond had said that he would have to wait for the eighth stage before he could evaluate his form.

The time trial gave him the answer and it was, of course, that he is fine. LeMond, who was in fourth place overall when Saturday's stage began, rode with authority throughout the race against the clock. But he finished second in the stage, 3 seconds behind Miguel Indurain, a Spaniard with the Ban-asso team. His teammate, Jean-François Bernard, a Frenchman,

was third, and then began the long roll call of challengers.
Fourth was Breukink, who had been favored in the time trial. He is a specialist in the exercise.

Two other challengers fared worse. Gianni Bugno, an Italian with Gatorade, was fifth and Pedro Delgado, a Spaniard with Banesto, was eighth. Far bigger losers included such pre-race favorites as Raul Alcala, Laurent Fignon and Claudio Chiappucci.

"You can't refuse the yellow jer-sey." LeMond said when asked if he would defend it at all costs over flat terrain. "But my goal is to win the Tour de France. For that you have to race intelligently and not let your ego decide your tactics." (Reuters, NYT)



BRIEFS

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China Activists

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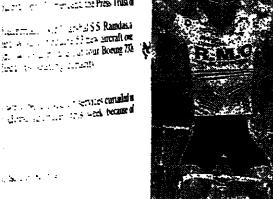
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Ribeiro, a Brazilian first.







From left, Bob Milacki started it, then Mike Flanagan, Mark Williamson and Gregg Olson finished a no-hitter for the Orioles.



4 Orioles Combine on No-Hitter, but Royals Have a Hit Fest

Baltimore Victory Is 5th of Its Kind

By Mark Maske

Washington Past Service OAKLAND, California Manager John Oates probably will never again be as successful at get-ting the most out of a pitching staff as he was here, as four Baltimore Oriole pitchers got the fifth com-bined no-hitter in history, victimizing the Oakland Athlenes, 2-0.

Starter Bob Milacki did the bulk of the work, going six innings, walking three and striking out three, before departing with a sore and swollen finger on his pitching hand caused by Wilhe Wilson's sixth-inning ground ball. Mike Flanagan followed with a one-walk seventh, and Mark Williamson contributed a one-two-three eighth

before giving way to stopper Gregg Olson on Saturday, Olson nearly lost the no-hitter to the first batter he faced, but shortstop Cal Ripken went a few steps into the hole to backhand Dave Henderson's ground ball and made a strong but low throw that first baseman Randy Milligan backhanded out of the dirt. Olson then struck out Jose Canseco with a knee-buckling curveball, and Harold Baines went down on a late check against a curve in the dirt. Milacki was in the clubhouse in

street clothes, watching on televi-

sion. His day was soon to end at a nearby hospital, where he was tak-en for X-rays of his finger.

"I don't believe I — wait, I don't believe we — did it," Olson said. "Bob Milacki's really the guy who deserves all the credit. If he had been out there on the mound when it ended, you can bet there would've been a dogpile on top of him."

Said Oates: "I'd say it would be tougher for four guys to pitch a nohitter than for one guy to do it, because you've got to have four guys on. You can't have one pitcher be even slightly off." The four Oriole pitchers permit-

ted four walks. This was the fifth combined no-hitter in major league history — all in the American League - and it equaled the record for the most pitchers in a no-hitter.

Before Ripken's play in the ninth, the A's came close on only three occasions. Wilson's grounder might have been a base hit up the middle had it not struck Milacki's hand. But the ball ricocheted off his leg and ended up bouncing right to Milligan at first, who stepped on the bag before Wilson was more than halfway down the base path. With Flanagan on the mound in

Combined No-Hitters

(In buseball's majorn era)
Whe tenings
Bob Milocki (dinainas), Mike Flancopa (1),
Mark Williamson (1) and Greep Oison (1),
Salitmore vs. Oakland, July 13, 1991, 2-0,
Mork Langston (7 Innings) and Mike Will Mork Langston (7 Includes) and Mike With (2), Collifornio vs. Seattis, Asrik 1), 1976, 1-4. John Odom (5) and Francisco Barries (4), Chicogo (AL) vs. Oakland, July 2s. 1976, 2-1. Vide Bive (5), Glann Abbett (1), Paul Lindical (1) and Rollie Fingers (2), Oakland vs. Californio, Sest, 2s, 1973, 5-4. Sieve Borber (8 2-3) and Stv Militer (1-3), Baltimore vs. Detroit, April 30, 1967 (1st come), 1-5.

some), 1-2.

**John Kilppstein (7), Hershell Freemon
(1) and Joe Black (1), Cincinnoti vs. Milwaukse (NLJ, May 22, 1954, 1-2.

**Less Than Mise Inslags
Jim Dyperi (3) and Rube Woddell (2), Phildelphia (AL) vs. Chicago (AL), Aug. 29, 1904

cukee's Jock Dilmer doubled with two outs in the 10th inning and Black lost force hits in 17 innings)

the seventh, center fielder Mike Devereaux ranged far into the gap in right-center to run down Mark McGwire's drive, and Cal Ripken made a nice lunging grab of Ernest Riles's two-out bouncer up the middle to record the out at first that ended the inning.

The A's have hammered Baltimore pitching this year, entering son drove in four runs as the Chicago routed the Saturday with a .305 batting average against the Orioles. But so too has everyone else: Baltimore's 4.90

Kansas City, With 6 Home Runs, Routs the Tigers, 18-4 The Associated Press

Brian McRae and Mike Macfarlane each hit two of

Kansas City's club-record six home runs Sunday as the Royals routed the Tigers, 18-4, in Detroit. McRae drove in six runs, including his first grand slam, in the first multiple-homer game of his career. Macfarlane also had his first multihomer game and matched his career high with five RBIs. He had just 13 career homers before this year but already has 13 this season, including a grand slam in Thursday's series

George Brett and Todd Benzinger also homered as the Royals matched a season-high with 21 hits.

Alan Trammeli, Lloyd Moseby and Travis Fryman homered for the Tigers.

Red Sox 5, Twins 3: Joe Hesketh won as a starter for

the first time in five years as Boston won in Minneapolis and ended a four-game losing streak. Luis Rivera had three hits and scored three runs for Boston. He is 21-for-54 in his last 16 games, a 389 average. Hesketh, 3-I, making just his fourth start since 1986, allowed seven hits in seven innings, struck out four and walked none. It was his first victory as a starter since June 28, 1986, for Montreal against

Pittsburgh. Jeff Reardon got three outs for his 22d save, but allowed a home run to pinch-hitter Randy Bush, his third of the season. White Sox 15, Brewers 1: In Milwaukee, Jack Mc-Dowell pitched a one-hitter and rookie Warren New-

McDowell, 11-4, won for the sixth time in eight starts, allowing only a leadoff home run in the first by ERA beginning the day was the worst in baseball.

Paul Molitor. He struck out four and walked one as he increased his career record against Milwaukee to 3-0.

Mark Knudson, 1-3, allowed six bits and six runs in three-plus innings. Chicago had its highest run total

In games Saturday, The Associated Press reported: Blue Jays 3, Rangers 2: Kelly Gruber hit a two-out, run off Harris was unearned, set up two-run homer in the eighth in Toronto, rallying the Blue Jays past Texas. The Blue Jays were held to one rum for 61/2 innings by Nolan Ryan, seeking his 308th

career victory.

Brewers 8, White Sox 2: In Milwaukee, Rick Dempsey broke a tie with a three-run homer and Don

AMERICAN LEAGUE

August won his fifth consecutive decision over the White Sox, allowing six hits and both runs.
Indians 6, Mariners 3: Cleveland ended a 27-inning

scoreless streak in the seventh inning in Seattle, then rallied for four runs in the ninth as it stopped an eightgame losing streak against the Mariners.

Yankees 2, Angels 0: In Anaheim, California, rookie Jeff Johnson allowed four hits in 8½ innings as New York (41-40) went over .500 for the first time this

season to bring its record to 41-40.

Tigers 8, Royals 5: Mickey Tettleton hit a three-run homer, Cecil Fielder doubled home two more and Detroit, playing at home, spoiled Bret Saberhagen's return from Kansas City's disabled list. Saberhagen was making his first start since going on the disabled list June 13 with tendinitis in his right rotator cuff. Twins 3, Red Sox 1: In Minneapolis, Jack Morris,

who bruised his foot in the All-Star game, allowed five Boston hits in 81/2 innings and won for the eighth time

The Seles Mystery May Be Solved This Week in New Jersey

By Alison Muscatine Washington Post Service

Monica Seles, the mysteriously absent top-ranked woman tennis player who withdrew from Wimbledon three days before the tournament began, is scheduled to play in an exhibition in New Jersey this week.

Seles, who cited an undisclosed injury when she pulled out of Wimbledon, will honor a commitment to play four consecutive days, beginning Thursday at the Pathmark Tennis Classic in Mahwah, according to International Management Group, which manages her. The tournament spokesman, Robin Gellman, said Seles and Jennifer Capriati both will receive "sixfigure" amounts to participate. Gellman said IMG had assured tournament officials this week that Seles

Still unclear is whether she will clarify the nature of her injury and the reasons for her withdrawal from Wimbledon. Gellman said that, as part of her contractual agreement, Seles is obliged to meet with reporters before her first match. However, an aide to Stephanie

Tolleson, Seles's agent, said she was under no such

Gerard Smith, the executive director of the Women's Tennis Association, said this weekend that he still had not spoken with Seles nor received a medical certificate that he requested from her two weeks ago. However, Smith said, a meeting between him and Seles was "currently being arranged" and he hopes to

"I'd like to sit down and talk to her about her reasons for not revealing the nature of her injury," Smith said, adding that he wanted some "reassurances" that Seles, the No. 1 seed, waited until the last minute to withdraw from Wimbledon only because she genuinely thought she might be able to play. When she pulled out, the draw had aiready been completed.

"I want to talk to her about the responsibilities a top player has as a representative for the game," Smith said. "She has expressed an interest in taking a leadership role in women's tennis, and I want to make sure she understands what those responsibilities are."

report detailing ber injury.

In the three weeks since she withdrew from Wimbledon, Seles has refused to divulge her whereabouts or the nature of her problem. As a result, she has been the subject of worldwide rumors. First, she was traced to Vail, Colorado, where she was examined by knee specialist Richard Steadman two days before she pulled out of the tournament. Two weeks ago, she reportedly was staying at the Florida estate of Donald Trump. As of Friday, she was not in Florida, having left the state for a business commitment, according to

Smith. Seles and her family live in Florida. Her seemingly abrupt withdrawal from Wimbledon startled tournament officials and left WTA officials embarrassed and scrambling to explain her mysterious behavior. The WTA, the governing body for women's tennis, fined Seles \$6,000 for her third withdrawal for medical reasons this year.

■ Sánchez Beats Bruguera in Gstaad Fifth-seeded Emilio Sanchez of Spain defeated his Davis Cup teammate, top seed Sergi Bruguera, 6-1, 6-

Smith said he will ask her again to provide a medical 4, 6-4, in the final of the Swiss Open in Gstaad on

Bruguera was bothered by a strained stomach muscle, which hampered his service throughout the match. Sánchez has now beaten Bruguera in all five of their matches in a Tour event. Bruguera said he had little chance because of the

The service is probably the most important shot,"

he said. "For me it was very difficult to win without my serve. If it had not been the final, I would not have

In the quarterfinals, Wimbledon champion Michael Stich was ousted by Karel Novacek of

• Jim Courier beat Michael Chang, 6-4, 2-6, 6-4, Sunday in a matchup of French Open champions in the final of the Gunze World Tennis Tournament in Osaka, Japan. Gabriela Sabatini, the Wimbledon runner-up, downed Katerina Maleeva of Bulgaria, 7-6 (7-3), 6-2, to take the Gunze women's singles crown for the third consecutive year.

Marce, 34, a New York public-relations man who competes

in the 5,000 meters, said soccer was the most popular sport in

South Africa, luring many black children because it is so

"To be a sprinter, you need so much quality work, equipment and technical help," he said. "It costs money. Only the whites can do that. The blacks, all we did was put on a pair of shoes and

Francisco to victory in Philadelphia. Strange Wins

European Skins The Associated Press MARBELLA, Spain American Curtis Strange holed out twice with a new sand wedge Sunday and amassed \$220,000 to win the

first European Skins Game. Mark Calcavecchia of the United States was second with \$85,000, followed by Bernhard Langer of Germany at \$75,000 and John Bland of South Africa at \$70,000.

On the first hole, Strange used the wedge to sink his 92-yard (84-meter) approach for an eagle and \$15,000.

 British Open officials said they would demand explana-tions from five Americans who failed to appear Sunday for final qualifying for the tournament that begins this week.

Ken Green, Mark McCumber, Andy Bean, Billy Ray Brown and Jim Hallett

did not show up at courses around Royal Birkdale in

For Maree, the Long-Distance Loneliness Is at Last Over as '92 Beckons South Africans

· By Christine Brennan Washington Post Service

LOS ANGELES - In less than 54 weeks, a racially balanced South African delegation will be eligible to march into the opening ceremonies of the 1992 Summer Olympics in Barcelona. For Sydney Marce and Andrew Young, the very prospect is speciacularly joyous.

"I will cry," said Maree, the black South African distance runner deprived of years of international experience until he became a U.S. citizen in 1984 to compete in the Los Angeles Olympics. "It will really be a dream come true. It will be half the battle won just to see them there. It's something I never thought as much as I prayed and hoped -would happen in my time. Marce was the athlete caught in the political vise of apartheid, discriminated against in his own nation and unable to compete outside of it because the rest of the world wanted to punish South Africa. Young, who was the United Nations ambassador under President Jimmy Carter and is now co-chairman of the Atlanta committee organizing the 1996 Olympics, was an offi-

cial who fought to free athletes such as Marce. In the spring, Young was appointed to the International Olympic Committee's Commission on Olympism and Aparthaid, a group made up largely of black Africans and chained by Judge Keba Mbaye of Senegal. That panel voted unanimously last week to recommend the return of South Africa to the Olympic movement because of progress in banishing apartheid and establishing

Boxer Goes From the Gulf War to Finals of the Olympic Festival

The Associated Press

LOS ANGELES - Sean Fletcher, who fought in the Gulf war, scored the first upset of the U.S. Olympic Festival's boxing competition when Sergio Reyes, the reigning two-time national champion, was disqualified for a low blow in the third round of their bantamweight semilinal round bout. The loss was the first for Reyes since 1988, when he was beaten in the Olympic trials by Kennedy McKinney, who went on to win the gold medal at Scoul.

Reyes, who had received two earlier warnings for ducking below the waist, was disqualified late in the final round for

mixed-race teams. The IOC president, Juan Antonio Samaranch, gave the decision his blessing and made it official.

"I will really be thrilled," Young said of the prospect of seeing South Africans march in the opening ceremonies. "I wouldn' be surprised if they field teams that are more racially balanced than ours. They've got black swimmers. We don't have any. They've got black archers. We don't have any." Some critics have said they believe that things are moving too

for the first time had Reyes ahead, 42-29, at that point. Reyes did not dispute the decision. That's the referee's decision," he said. "Maybe it was a low

blow. I thought it was a good body shot." Fletcher, stationed aboard the Theodore Roosevelt during the Gulf war, was disappointed with the finish of the bout. "I just wish it could be me and Sergio in the finals so we

could set things straight," he said. "But we'll see each other again. We're both going to be prominent in '92."

In other action, U.S. pairs champions Todd Sand and Natasha Kuchiki took the lead after skating flawlessly in the delivering a low blow. An electronic scoring system being used original program, which counts for one-third of the total score.

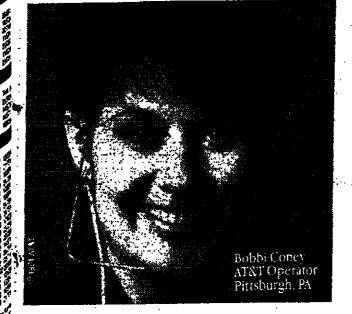
> fast, that not enough change has been affected in South Africa for the momentous IOC decision to have been made. Marce said the critics were wrong. "South Africa was given conditions to meet and they have met them," he said, "Yes, life has not changed for the average South African, but the country has met the goals given to it by the IOC. Change has come. Have they released all political prisoners? No. But, at the same time,

don't bold athletes hostage for political problems."

run as far and as fast as you could." South Africa has never been an Olympic powerhouse. When

it was forced out of the Olympic movement after the 1960 Snamer Games in Rome for failing to integrate its delegation, the nation had accumulated 16 gold medals, 15 silver and 21 bronze for a total of 52 medals, well below what the Soviet Union or United States win during a single Summer Olympics. It has never won a Winter Olympic medal and does not plan to field a team in Albertville, France, in February, IOC officials said. In Barcelona, things are also uncertain; only individual South African athletes will be able to compete. It is too late for any of their teams to qualify for the Olympics, according to

Maree said he hoped to go back home soon to visit his family and friends for the first time in three years. He will remain a U.S. citizen and will compete for the United States, he said. "I would love to compete for South Africa, but I cannot walk out on the United States," Maree said. "The U.S. embraced me Southport, England.
Four of the five were found to be playing in the PGA New England Classic. Bean did not play there and Green missed the cut on Friday. (Reuters)



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DARIS - In 1984 Marguerite Duras published an autobiographical novel. "L'Amant," which transformed her from a quirky dame de lettres into a bestselling author, a station she found quite satisfactory. "My readers, who were fanatical about me,

MARY BLUME

were cross," she said at the time. "They are taking you away from us, you belong only to us, they said. But then they wrote and said you still belong to us."

"L'Amant" was the slightly scandalous tale of a love affair between the teenage Duras and a wealthy Chinese in Indochina where Duras was raised by her impoverished mother, the head of a mixed-race school, a demeaning situation for a Frenchwoman of the time. Duras has now added to the scandal with a new account of the same story called "L'Amant de la Chine du Nord," published by Gallimard last month

'Weren't you afraid that people would say you were rewriting the same book?" Bernard Rapp asked on his television program, "Caractères," which has an audience of over two million.

"The happiness of writing was greater than the fear." Duras replied. She is 77 now and in failing health, her cheeks crosshatched in wrinkles: amiable in conversation and unrepentant, Madame Duras permits herself everything, says Le Monde.

It isn't the first time that Duras has retold a tale. Repetition is part of the style that is called Durasian, along with sentences that are sometimes one word long. Or two. Repetition, Duras has airily explained, does not mean saying the same thing: If you say things in a different way

they are automatically new. What Duras has in effect done with "L'Amant de la Chine du Nord" is a novelization of a film. In Hollywood these are usually done by backs, not by cult authors. Duras takes the novelization process one step further: The novel is based not on a completed film but on the rejected scenario that Duras wrote for "L'Amant." The film, which began postpro-duction last week, is scheduled for release in early 1992.



Duras's "L'Amant de la Chine du Nord" is a novelization of a scenario of the film version of the original "L'Amant."

The producer Claude Berri bought the film rights to "L'Amant" shortly after publication and Duras wrote a scenario in 1987 (she has said she wrote three later scenarios, the producer says she wrote just the one). After she began her screenplay, Jean-Jacques Annaud, director of "The Bear," was signed.

A collaboration between Annaud and Duras, who has written and directed many films, was probably doomed from the start. To capture the widest possible auence the film is in English. Annaud shot it where the story happened, in the Mekong Delta, although Duras thought it could be made on the banks of the Marne, arguing that she shot the exotic "India Song" on the Seine

near Saint-Cloud. The final script is by Annaud and the veteran screenwriter Gérard Brach. Duras has spoken freely on the subject, Annaud has refused all interviews. "She is a images. There is no way they could get on," says Annaud's Jean-Jacques and Brach finished their scenario and Marguerite decided to publish her own adap-tion." It was a way, Duras has

said, of getting her story back.

The resulting confusion has been considerable. "Marguerite is a woman of great talent who arranges events to suit her memo-Benabent says. One passes one's life retelling the same story. Duras told the newspaper Libération: "The fact that people continue to read this one proves that

The characters and setting of the new book appeared not only in "L'Amant" but in an earlier says Annaud told Duras in Sep-tember 1989 that he had died. Whatever the date, all other projects were dropped, Duras says, and she began writing quickly and

The cast is the same as in "L'A-mant": the girl (now 14½, one year younger) and her lover; her mother, her sweet slow younger

asian, with its sentences that are inverted ("Yes, very young, she is.") and abropt ("With the moththey did that: they took: the money."). The characters are fleshier than in "L'Amant," the atmosphere more overtly sensual, the emotions more openly exsed in constant bursts of laughter and tears. It would prob-

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In fact, the book makes it clear that a movie is not far from Duras's mind. Scattered through the text are footnotes giving instruc-tions "en cas de cinéma." One of them reads in part, "The camera should film the solitude of each person. . . . No group shots because the group, here, does not

"L'Amant de la Chine du Nord" includes a 3½-page list of other works by Duras and a threepage list of images which she suggests could serve to punctuate the film, as well as music that might be used for the background.

The implication is that the film of the novelization of the scenario of the film version of Marguerite Duras's novel "L'Amant" is up for grabs. Neither Jean-Jacques Annaud nor his producer, Claude Berri, will be making offers, according to Josée Benabent. "We're not going to make the same Duras story every two years, for heaven's sake," she said.

LANGUAGE

Let Sleeping Britishisms Lie Doggo

WASHINGTON — "Doggo to become the new sleeping dog of punditry?" asks Duncan Morrow of Springfield, Virginia. Readers who closely follow the usage of the chin-pulling set know that Britishisms and Southernisms abound; in this case, two syndicated columnists with Southern roots were caught using a Britishism

Edwin Yoder Jr. speculated that Saddam Hussein's military strategy was to dig in, "protecting his military assets and lying doggo while U. S. allied air power breaks over him."

James J. Kilpatrick dealt with those who would remove religious books from public-school libraries: "So far as the record discloses, no child ever even looked at the potentially dangerous books. The books just sat there on the shelf, doggo, on the outside possibility that someday some 11-year-old might want to learn a little bit."

That British slang term means "in concealment"; comparable American slang is "in the weeds" or "playing possum." John Algeo of the University of Georgia informs me: "It is probably from dog plus the suffix -q, which is vognishly used in British slang, for example in boyo and hence yoba." (Yoba, pronounced and often spelled yobba, is boy spelled backward with an o attached.) "The rationale would then be to lie ouict like a dog in hiding." quiet, like a dog in hiding."

The eminent neologistician has citation files from Professor Allen Walker Read including this World War I American entry: "Sometimes the man isn't dead, but a perfectly live Boche patrol lying doggo." [R. D. Holmes, Yankee in Trenches' (1918), page 80] [with a page 210 glossary entry.] Doggo — Still. Quiet. East Indian derivation." Algeo guesses that the ex-pression "may have been an Irishism that spread via the British army in India." Perhaps that's because the first citation is from Rudyard Kipling in 1893.

Because most of my in-laws are Brits, I have been using loo as a synonym for "john, can, little boys' room, facilities." This makes me feel affected but gets me the necessary directions in London. The etymology me in necessary directions in London. The exploriogy is usually listed as "obscure," but I received this fanciful leap from John L. Lowden of Wilmington, North Carolina: "Pay toilets in England required the deposit of two halfpennies, called ha pennies (rhymes with tape knees) before one could enter a stall. The door's handle and the two side-by-side drop slots locked like this: LOO." Before prending a penny of looked like this: LOO." Before spending a penny on that speculation, I ran loo past Algeo, who called it the product of an "incontinent imagination." He thinks the most probable origin is from the French word, lieu. 'place"; the lieux d'aisances are translated as "places of convenience," perhaps the source of our "public convenience," or nonpay toiler.

Algeo and Read wanted me to know, by the way, that I had been "oddly idiosyncratic in your recent statement that Britishism is 'preferred' to Briticism."

This is a gentle way of saying, "Where does a pop grammarian come off representing his personal foibles as the preference of most users?"

Their point is keen; the passive preferred should be used only to mean "this is what most educated users thereby to denote an objective report or description of the world as it is. The active "I prefer" is something else, meaning "this is what I use, after having given the matter more thought than most

people have time for or interest in, and you might want to use it, too, if you have any taste or trust mine" That's what I meant, and should have used "I prefer forthrightly and prescriptively, even if it causes linenistic heavy hitters to smile and say, "Listen to the opgramm try to sell the usage be prefers."

Granted, Briticism is used in the United States on the analogy of Gallicism, but the -icitm ending is usually of words that end in -ic, like Gallic, or chic, with the final c being pronounced as an s before the ism. But with words that end with ith, like British or Manufacture Swaps Stock Amish or Yiddish, it seems to me more natural and micative to say Britishism, Amishism, Yiddi-

shism. (John Algeo himself uses Irithism, not Iricism.) That's what's great about the usage dodge; not only can a cat look at a king, but a king can look back at a can a can foot at a sing, but a sing can arost oach at a cat. "Preferred" may be preferable to a majority, but "I prefer" — accompanied by logic and 2 catchy carbon in a literate publication — may affect the educated majority's judgment. In the weeds of slang and wellands of usage, the possibility of improvement lies doggo.

'Obviously, some mistakes were made," said this: White House chief of staff, John H. Sununu, in a statement I suspect was beaten out of him by Bush dministration damage controllers late one night in a room not far from the Oval Office.

"Washington has invented a new tense," observes William Schneider, resident fellow at the American Emerprise Institute. "This usage should be referred to as the past exonerative." True, the passive voice acknowledges the errors, but it avoids the blame entirely, though in this case Summu went on to accept his small portion of the general mistake-making. Bureaucrass use the past exonerative all the time: "The program was implemented" is their way of not quite saying, "I did it." Schneider believes that this useful invention can be

adopted for household use, much as research on insu-lating materials for spacesuits can be applied to keep cool tote bags. He offers dishes were broken, an announcement that can be made with a suitable "who me?" expression. When deniability is impossible, dissociation is the way, and the past exonerative allows the actor to separate himself from the act.

When pursuing a story about equivocation in high office, I was told, "He gave an if-by-whisky speech." My source, asked about his curious compound adjective,

said he thought it was a Florida political expression. That triggered a call to Richard B. Stone, now a Washington banker, but a former U. S. senator from Florida familiar with that state's political patons. 172. mediately recognized the phrase, meaning "calculated lated ambivalence," and provided the etymon: Faller Warren, Florida's governor in the '50s, was running for office in a year that counties were voting their local option on permitting the sale of liquor. Asked for his position on wet-vs.-dry, he would say:

"If by whisky, you mean the water of life that cheers n's souls, that smooths out the tensions of the day, that gives gentle perspective to one's view of life, then put my name on the list of the fervent wets.

But if by whisky, you mean the devil's brew that rends families, destroys careers and ruins one's ability to work, then count me in the ranks of the dries,"

PERSONALS

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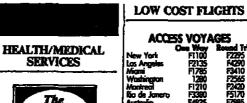
woman, Josée Benabent.

it doesn't wear out."

novel, "Un barrage contre le Pacifique" (1950). No wonder Le Nouvel Observateur called "L'Amant de la Chine du Nord" Duras's latest remake. Duras says she began writing it in May 1990 upon learning that her Chinese woman of words, he is a man of lover was dead. Josée Benabent

brother, her evil elder brother, her school friend Hélène Lagonelle. Like "L'Amant," the new book begins with the lovers' first meeting and ends with the girl's departure for France. In style it is archetypically Dur-

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the second-largest U.

become the second-targest U.
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sup between Chemical Bankin Orp and Manufacturers Haneve

Cap. respective: the nation sub and unit-larges; will creat

abending grant with 5135 billion is

sons, ranking only behind trouged Citicorp. The deal has long

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case their complementary lines of

business and overlap in New York

(ity should enable them to unit

The merger is the first armong the p money-center hanks

op money-center banks in the

cablished by regional giants soci

is the NCNB Corp. of North Caro

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D.C. Both those banks grew quick

by by mergers and are now in talk

ploma grant that would rank jus

beind the new Chemicai-Mann

This will blok off an era of coa

soldations, said James McDer

nott of the brokerage Keel

Bryette & Wine-is "It will main

other people sit up and hop to help

The deal will consist of a swap of

Manufacturers Harrower, Both

mois jumped on the news. with

Manny Hanny gaining \$6.1252 to 19374 and Chemical rising \$2.7 B Shoo on the New York Stock

Most other bank stocks also were

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quetly and cut overheads.

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nese government to extend i imughout the country. "But since everything that has south Lebanon has been done ur pices of the Syrians and under t ions," he said, "they will make not to stabilize the situation th Israel had earlier linked any from southern Lebanon to the Syna's estimated 40,000 troop

comity Israel has occupied a livide (9-mile-wide) strip of Leban is a "scenniy zone" since 198 Rao Wins Vote in NEW DELHI (Reuters) — T government of Prime Minister sinka Rao won a vote of confid

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